

U.S. Department of Commerce

Chief Financial Officer's

*Financial Management Status Report
and Five Year Plan*



1998-2002

Helping to Break Trade Barriers

U.S. DEPARTMENT OF COMMERCE
CHIEF FINANCIAL OFFICER'S

FINANCIAL MANAGEMENT STATUS REPORT AND FIVE YEAR PLAN

1998 - 2002

*“Shaping an Environment
in Which Government Officials Use
High-Quality Financial and Performance
Information to Make and Implement
Effective Policy, Management, Stewardship,
and Program Decisions”*

CHIEF FINANCIAL OFFICERS COUNCIL
FINANCIAL MANAGEMENT
VISION STATEMENT





FOREWORD



It is my pleasure to provide the Department of Commerce's Financial Management Status Report and Five-Year Plan for FY 1998 through FY 2002.

President Clinton stated, "In my Administration, the Department of Commerce will play a more visible and powerful role in rebuilding the American economy," and, indeed, the U.S. Department of Commerce is playing a vital role in the Nation's historic economic and technological growth.

The Department of Commerce's mission is to promote job creation, economic growth, sustainable development, and improved living standards for all Americans. We realize this mission

through working in partnership with business, universities, communities, and workers to:

- 1) build for the future and promote U.S. competitiveness in the global marketplace by strengthening and safeguarding the Nation's economic infrastructure, 2) keep America competitive with cutting-edge science and technology and a world-class information base, and 3) provide effective management and stewardship of our Nation's resources and assets to ensure sustainable economic opportunity.

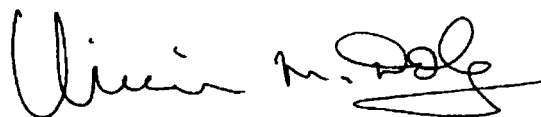
To carry out its mission, the Department relies on sound financial management. We are committed to the continuous improvement of the three components of sound financial management: policies, operating procedures, and automated systems. Initiatives underway to improve the Department's financial management are critical to accomplishing its mission. I assembled an excellent leadership team, headed by our Deputy Secretary, Robert L. Mallett, to ensure that needed improvements are made in the Department's financial management.

Also during the past year, Commerce has realized the following improvements:

- Conducted a successful, three-site dress rehearsal of the Year 2000 Decennial Census, using both traditional enumeration and supplemental scientific sampling methods. This effort tested the majority of activities to be used in the Decennial Census, including financial management.
- Outsourced 35 percent of Days at Sea for the National Oceanic and Atmospheric Administration (NOAA) fleet. NOAA also established a memorandum of agreement with university vessel operators that calls for the joint scheduling of NOAA and university oceanographic research ships. Developed plans to restructure the NOAA Corps, ensuring that its fleet operations are cost efficient, effective, and responsive. Implemented reforms at the National Weather Service to improve the management of the Advanced Weather Interactive Processing System (AWIPS).
- Improved oversight of the National Institute of Standards and Technology's (NIST) Capital Improvements Facilities Program to prevent the deterioration caused by inadequate facilities, impairing NIST's ability to maintain standards in weights and measures. The Department and NIST worked on formulating budget requests that would provide adequate facilities in a cost-efficient manner and submitted a facilities improvement plan to Congress as part of the President's FY 1999 budget.

- Proposed Senior Executive Service (SES) 2000 to senior Department executives for final review prior to my approval in December 1998. Designed to strengthen the Department's Senior Executive Service, SES 2000 is a comprehensive strategy that recognizes the senior executives' critical role in Commerce operations. It includes a comprehensive executive development program and important efforts to increase career mobility.
- Improved our overall audit compliance dramatically. We anticipate that 94 percent of our budget authority will be covered by unqualified opinions on the Bureaus' balance sheets for FY 1998.

In summary, we are making tremendous progress in the financial management arena. I'm proud that Commerce is an agency where improved financial and performance information is used to promote effective policy, management, and stewardship decisions.

A handwritten signature in black ink, appearing to read "William M. Daley", with a stylized flourish at the end.

William M. Daley
Secretary of Commerce



INTRODUCTION



It is a pleasure to present the Department of Commerce's Chief Financial Officer's Financial Management Status Report and Five Year Plan for 1998-2002. The Secretary, the Deputy Secretary, and the entire management community at Commerce are committed to improving the financial management of the Department. Our goal is to achieve a sound financial management environment that complies with Federal laws and regulations and, at the same time, provides Commerce executives with timely, accurate financial and performance information for decisionmaking. Commerce's financial statements reflect its work in the area of financial management. This year, we received an unqualified opinion on the Department's consolidated Balance Sheet and a disclaimer of opinion for the remaining principal financial statements. It is an improvement

over prior year audit results and positions for the Department to achieve an unqualified opinion on all of its principal statements for FY 1999.

During FY 1999, we continue our efforts to address major financial management issues in the areas of financial policies, procedures, and automated systems. In FY 1998, Commerce took important strides toward its goal of a Department-wide integrated financial management system. We implemented the core of the Commerce Administrative Management System (CAMS) at Census on a pilot basis. After an independent contractor reviewed and validated the Census pilot implementation, the Department put in place a strategy for implementing the same or comparable systems throughout the Department, beginning with NOAA. Commerce's bureaus made significant progress in repairing existing financial management systems so they can handle Year 2000 transactions.

One of Commerce's goals for financial management is to achieve a clean audit opinion for our consolidated financial statements for FY 1999. During FY 1998, we reduced the number of material weaknesses identified in financial audits by 43 percent. During FY 1999, the Deputy Chief Financial Officer will continue overseeing preparation of bureau action plans to address audit findings and recommendations. We will work with the Office of the Inspector General (OIG) and the outside auditors to monitor execution of audit action plans.

We continue to provide Commerce bureaus with the policy guidance they need. We revised our accounting handbook to incorporate the concepts and standards promulgated by Office of Management and Budget (OMB) Bulletin 97-01, the Federal Financial Management Improvement Act of 1996 (refer also to Appendix IV), and the Statements of the Federal Financial Accounting Standards (SFFAS) issued by the Federal Accounting Standards Advisory Board (FASAB). We revised our cash and our credit and debt management handbooks to reflect changes and initiatives related to the Debt Collection Improvement Act of 1996, including the mandate to make payments via electronic funds transfer (EFT) effective January 1999.

During FY 1998, we strengthened our financial management staff and organization. By the end of the year, five of the seven bureau chief financial officer positions were filled on a permanent basis. Also, the National Weather Service recruited a Chief Financial Officer; the National Ocean Service is doing the same. NOAA created and filled senior positions for budget and finance. By the end of the year, six of the seven bureau chief financial officer organizations conformed to the

Department's policy guidance. Finally, in an effort to strengthen accountability between the Departmental CFO and the bureaus, the Departmental CFO is now the supervisor of record for 50 percent of each bureau CFO's annual performance rating.


In addition to these financial management issues, the Department has taken steps to address a number of operational issues, including the following:

- We successfully implemented a full-scale pilot of the Department's CAMS, which included a Core Financial System and three integrated modules, at the Bureau of the Census. An independent verification and validation determined that CAMS was a success. We are now aggressively implementing CAMS at NOAA and EDA.
- The Department has undertaken a major initiative to modernize its information technology infrastructure. In addition to creating a "digital department," the initiative may include a fiber optic backbone and unified network for all appropriate Commerce buildings, a consolidated telecommunications infrastructure, a "smart-card" physical and security access program, and an infrastructure that ensures documents are easily accessible, and published and categorized electronically.
- Management intervenes in high-risk areas in the following three ways: building on the problem-solving and analytical skills of the Department's existing career personnel; drawing on resources from the Systems Acquisition Office; and partnering with the private sector to provide technology and security skills.
- Cited by the Inspector General for abuses, procurement management undertook a risk management assessment. Based on the assessment's findings, senior management linked individual performance plans to newly implemented operational and policy changes and supported a working relationship among all pertinent Department offices, bureau offices, and program customers. Because of this effort, the Department's procurement community received three of the Vice President's Hammer Awards, and the Inspector General's office dropped procurement from its list of management concerns.
- Nationwide, Commerce's Administrative Service Centers (ASCs) involve more than 450 full-time-equivalent employees and more than \$26 million in direct costs. These centers provide administrative services to all Department field employees and were the subject of an ASC Director-led comprehensive review. As part of this study, every field employee received a customer satisfaction survey, and ASC frontline employees were asked for extensive feedback. The Department is currently implementing and monitoring the resulting recommendations.
- The Department has directed selected bureaus to review their field operations and submit field office streamlining implementation plans. Under this initiative, the bureaus will reduce the number of domestic field offices by 25 percent, from 849 to 638.
- Due to recent world events, the Department's security program risk management initiatives have become critically important. In addition to assessing operations, internal and external reviews of the Department's security program provided far-reaching recommendations for corrections and improvements that we have implemented.
- Throughout the Department, employees and clients are working together to improve customer service by developing, delivering and evaluating services. Commerce employees are also attending customer service training classes.
- To support our management goals and priorities, we developed a strategic plan for the Office of the Chief Financial Officer and Assistant Secretary for Administration (CFO/ASA). In developing this plan, we invited all employees within the CFO/ASA office to provide suggestions and

comments throughout the process.

We defined and communicated the mission of the CFO/ASA to all employees. The CFO/ASA mission is to support the three strategic themes and the secretarial initiatives by ensuring accountability for the use of corporate assets, guiding the policy-making process from a management perspective, helping the bureaus serve their customers, and providing effective customer service. To accomplish this mission, we defined seven strategies to focus on in the next several years. We translated these seven strategies into detailed operating plans, with specific measures, for each of the offices within the CFO/ASA organization. Performance plans for the senior managers were developed based on these operating plans.

As we focus our efforts on improving financial management and other issues, we need to work as a team to carry out the important tasks that lie ahead of us. We recognize that compliance with legislative and regulatory requirements is our defined objective, and also that up-to-date financial data is essential for program managers to function in a knowledgeable, responsible, and accountable manner. Much work remains to be done; however, we believe that progress made to date and the professional commitment and capability of our financial management specialists have effectively positioned us to make significant improvements over the near term.



Linda J. Bilmes
Acting Chief Financial Officer
and Assistant Secretary for Administration

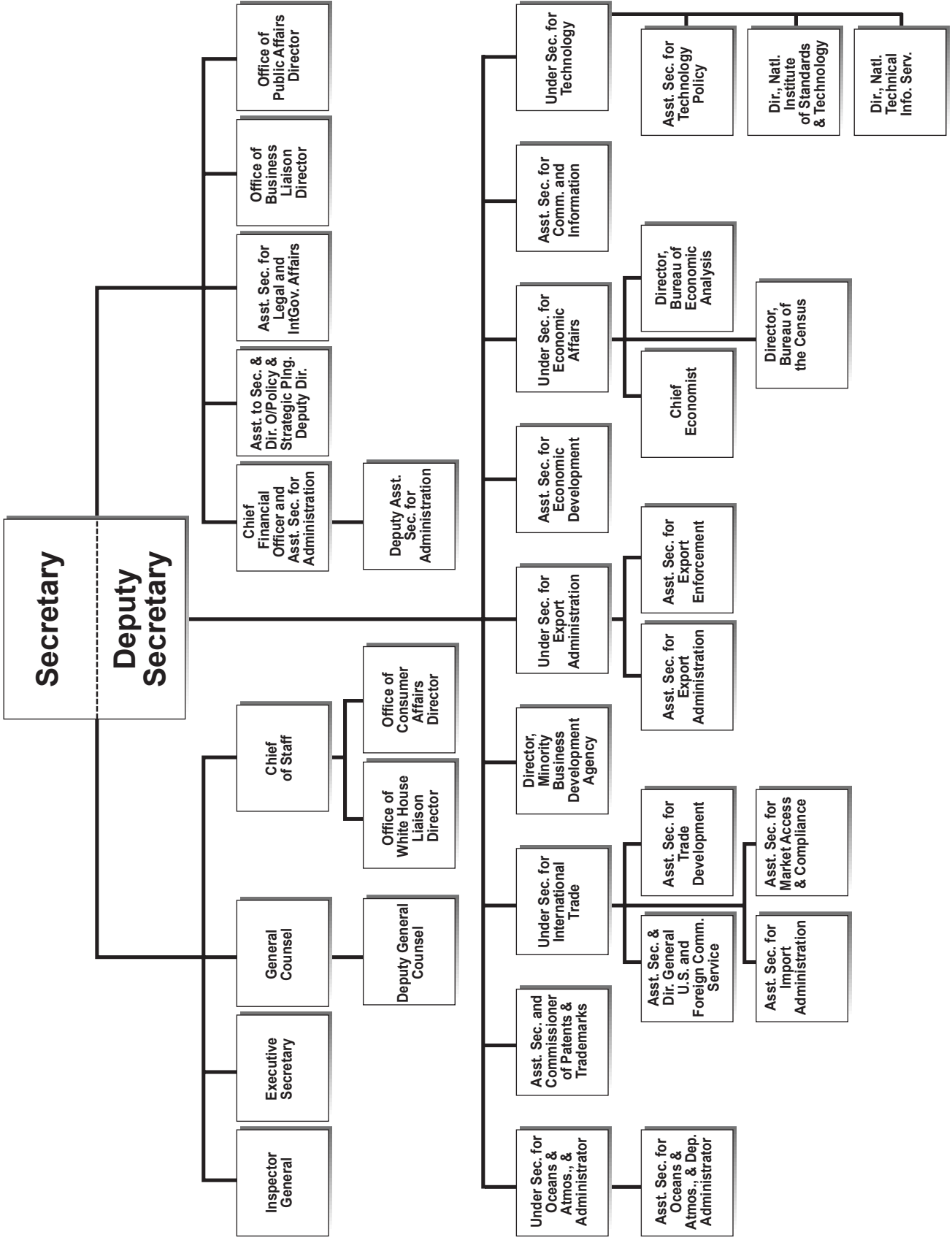
COMMERCE'S GUIDING VISION FOR FINANCIAL MANAGEMENT

- PROGRAM MANAGERS FUNCTION AS KNOWLEDGEABLE, RESPONSIBLE AND ACCOUNTABLE FISCAL MANAGERS FOR THEIR PROGRAMS.
- UP-TO-DATE FINANCIAL DATA IS READILY AVAILABLE TO AUTHORIZED PERSONNEL.
- A MODERN FINANCIAL MANAGEMENT SYSTEM, IMPLEMENTED COMMERCE-WIDE, DIRECTLY SUPPORTS INTEGRATED WORK-AND-RESOURCE PLANNING AND INTEGRATED FINANCIAL-AND-PROGRAM PERFORMANCE MEASUREMENT.
- COMMERCE FINANCIAL MANAGEMENT SPECIALISTS AND SYSTEMS ACHIEVE RECOGNITION FOR EXCELLENCE WITHIN THE GOVERNMENT.

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U.S. DEPARTMENT OF COMMERCE ORGANIZATION CHART



COMMERCE OVERVIEW

Established on February 14, 1903, to promote American businesses and trade, the U.S. Department of Commerce is the most versatile agency in Government. Commerce's broad range of responsibilities includes expanding U.S. exports, developing innovative technologies, gathering and disseminating statistical data, measuring economic growth, granting patents and registering trademarks, helping local communities to improve their economic development capabilities, promoting minority entrepreneurship, predicting the weather, and monitoring the stewardship of national assets. Because of the increasing globalization and complexity of the world's markets, effective integration of these activities is crucial to American businesses' ability to compete internationally and to our Nation's retention of its position as a world leader. Commerce is the only Federal department with an existing structure that encourages the integration of economics, trade, environmental stewardship, technology, and information. The rest of this section

discusses the Department's highest priority mission practices, which are to:

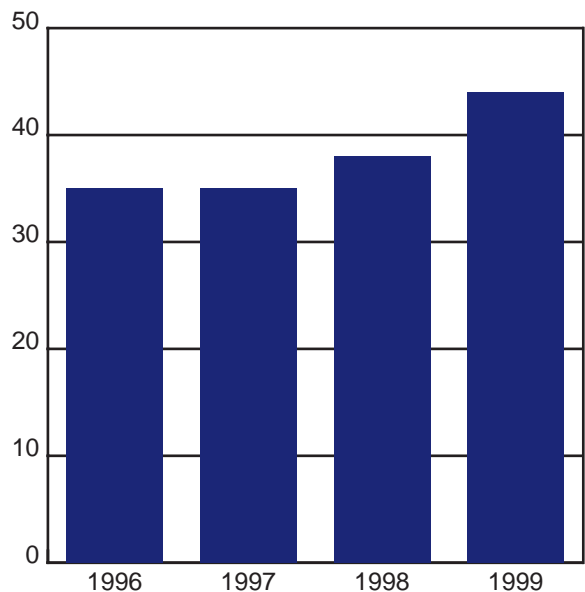
- Support the Nation's Economic Infrastructure
- Keep America Competitive With Cutting-Edge Science and Technology
- Provide Effective Management and Stewardship of U.S. Resources and Assets

Theme 1: Support the Nation's Economic Infrastructure

Commerce's focus includes the Nation's economic infrastructure. This focus includes our Nation's job creation abilities, support for minority business, capacity for technological innovation and improvements in production, and protection of new ideas. This focus also includes the economic health of our communities, our information infrastructure, and the environmental predictions that are essential for protecting the safety of life and property.

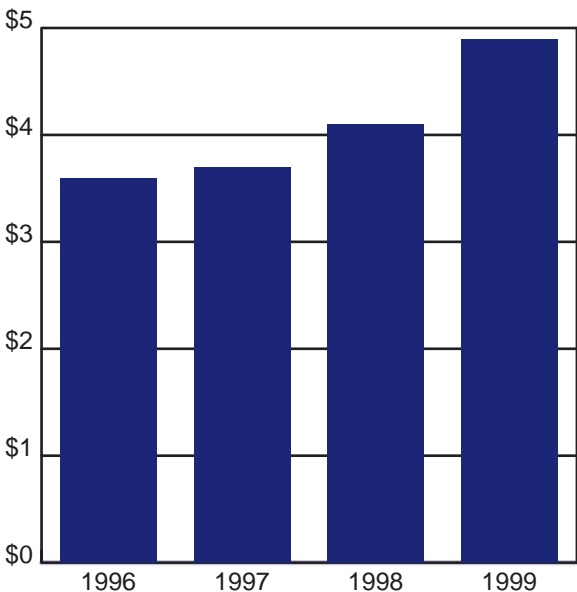
Department of Commerce
FTEs (Full-Time Equivalents) FY 1996 to 1999

Thousands of People



Department of Commerce
Budget Authority FY 1996 to 1999

Billions



**Theme 2:
Keep America Competitive With
Cutting-Edge Science and Technology**

Commerce fosters the conduct of world-class science and technology and helps establish global technology standards. Commerce also continuously examines all facets of technological development and innovation. It conducts the scientific studies and data analysis leading to seasonal to interannual (e.g., El Nino) and decadal to centennial (i.e., global change) environmental predictions. Commerce further provides information-based support to domestic business, research communities, and international trade—ranging from the Census to specific market analyses. Commerce also focuses on technical issues associated with the radio spectrum, including the technology used for broadcasting and scientific and technical research.

**Theme 3:
Provide Effective Management
and Stewardship of U.S. Resources
and Assets**

This theme includes Commerce's key responsibilities for the management of critical resources that are important from both national and global perspectives. Under a number of legislative mandates, Commerce has direct management responsibilities for specific national resources, which include stewardship responsibilities to encourage the efficient, wise use of national assets.

The national resources and assets managed by the Department of Commerce include intellectual property rights, the radio frequency spectrum, and fisheries, ocean and coastal resources. Utilization of these resources by both the public and the private sectors contributes significantly to the U.S. economy. These resources and their wise use and management are also integral to improving technological innovation and communication, protection and conservation of coastal and marine resources, quality of life, and the environment. Commerce also plays a major role in presenting U.S. interests and providing leadership in international negotiations related to the management of these resources. These negotiations range from the protection of marine mammals and other species, to the international regulation of the frequency spectrum, to regulation of intellectual property rights, including software and biotechnology products.

FINANCIAL MANAGEMENT STATUS AND PLANS

Commerce is creating a sound financial management environment that complies with Federal laws and regulations and that provides its executives with timely, accurate financial and performance information. As part of this process, the Department has the following goals:

- Improve Financial Management Systems
- Issue Financial Statements and Accounting Standards
- Implement Government Performance and Results Act
- Ensure Management Accountability and Control
- Develop CFO Organizations and Financial Management Workforce
- Modernize Payments and Business Methods
- Improve Receivables Management
- Administer Federal Assistance Programs
- Assess User Charges at the Department of Commerce

The following section describes each of these goals, including its current status and action items.

A. Improve Financial Management Systems

As the Department continues its efforts to improve its financial management systems, it faces the tremendous challenge of integrating financial functions, procedures, and processes. Currently, these processes are fragmented, inconsistent, and loosely interfaced. Appendix II includes a description of the Department's current financial management systems environment, a financial management systems inventory, and Year 2000 status.

CAMS addresses the Department's major financial and administrative system improvement objectives. The goals include upgrading the systems so that

Vision for a Commerce Administrative Management System

To invoke Commerce's guiding vision for financial and administrative management, the Department is undertaking a major modernization of its various financial and administrative systems, functions, and processes. DOC envisions a common, user-friendly and flexible Commerce Administrative Management System (CAMS). The system will:

- Encompass all stages of financial and administrative management processes, from commitment to obligation, to cost accrual, to disbursement, in a paperless fashion, except as required by law
- Electronically integrate and/or interface the related activities of program managers and financial, budget, acquisition and other administrative professionals
- Make all the administrative management processes interoperable
- Interface with other government administrative systems, e.g., NFC Payroll

The Department envisions a dynamic system that will grow, change, and remain current with available technology and the requirements of financial and administrative management. The CAMS pilot allowed Commerce an opportunity to reassess the CAMS strategy and to consider what process improvements to implement with the CAMS program. As DOC completes its review of the pilot results, it will identify the practices that have proven effective. DOC will also identify and address any opportunities to improve subsequent CAMS implementation efforts.

Both administrative and financial management professionals, as well as program managers, will be well trained and knowledgeable about financial and administrative management requirements and automated systems supporting administrative management. They will have easy access to all data and information needed to satisfy their management needs. The envisioned CAMS will increase productivity and efficiency and empower administrative and financial management professionals and program managers to make better decisions, thus improving customer service through real-time communication.

CAMS ACCOMPLISHMENTS

Census Pilot

Accounts Payable	03/98
Reimbursable Agreements (including deployment at two program divisions)	04/98
Time Reporting and Labor Cost Distribution	01/98
Small Purchases	05/98
Purchase Card	04/98
Field Offices converted to CAMS	03/98
CAMS IV&V complete	08/98
CAMS business case updated	09/98
Secretary of Commerce approval for updated CAMS rollout approach	10/98

NOAA

A/P implemented for 20 document types in D.C. area	02/98
First field office converted to CAMS	03/98
FY 1997 year-end general ledger closing processed using CFS	03/98
Issued a NOAA CAMS program management plan	04/98
Initial A/P Express Small Package System deployment	05/98
A/P implemented for limited document types in field Finance Offices (FOs)	06/98
Participated in the Census CAMS pilot, customizing the small purchase system for NOAA requirements	06/98
Implemented Integrated - Travel Manager in headquarters' office of NMFS	06/98
Implemented Integrated - Travel Manager to OFA offices in the D.C.area	09/98

Other

Updated CAMS Web Site	05/98
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they fully comply with Federal laws and regulations and provide Commerce executives with better financial and performance information to support more informed investment decisions.

In summary, during FY 1998 the DOC Chief Financial Officer directed a strategic shift in CAMS program operations. The CAMS Program Management structure was consolidated to improve the ability to set and meet goals. The program's implementation scope was narrowed to allow better focus and resource utilization. As FY 1998 concluded, the CFO finalized his review of the results from the last year and set the direction for the future of CAMS.

The CAMS initiative has also provided Commerce with an opportunity to help ensure that all bureaus address their Year 2000 compliance issues. Information on each bureaus' progress appears in Subsection 3, Bureau Implementation and Year 2000 Compliance.

1. Commerce Administrative Management System (CAMS)–Overview

In the early 1990s, Commerce began its efforts to establish CAMS. CAMS was envisioned as an integrated financial management system that would meet all applicable accounting and Federal systems standards. CAMS also was intended to be the cata-

lyst for changes in the bureaus' financial policies and operating procedures and was expected to provide opportunities to streamline processing and limit administrative costs and to provide managers at all levels with needed financial data.

The original vision for CAMS included an integrated application software environment consisting of a Core Financial System (CFS) and as many as 10 functional and administrative systems (i.e., Travel, Personal Property, Real Property, Grants, Small Purchases, Purchase Card, Inventory, Sales Order, Budget Formulation, and Time Reporting and Labor Cost Distribution). These administrative systems generate many of the transactions that finance personnel now record in traditional finance systems.

On December 1, 1994, Commerce awarded a contract to Andersen Consulting that proposed a modern Oracle-based Federal Financial Management System (FFMS) developed by REL-TEK Systems & Design, Inc. Following the acceptance of the CFS software, DOC used government resources and a variety of contractors to maintain and further enhance CFS and to develop other CAMS modules.

CAMS software is maintained centrally at the DOC CAMS Implementation Center. The Implementation Center confirms that each component of CFS continues to meet overall DOC financial system requirements, releases updated versions of CFS to bureau CAMS implementation teams, and provides

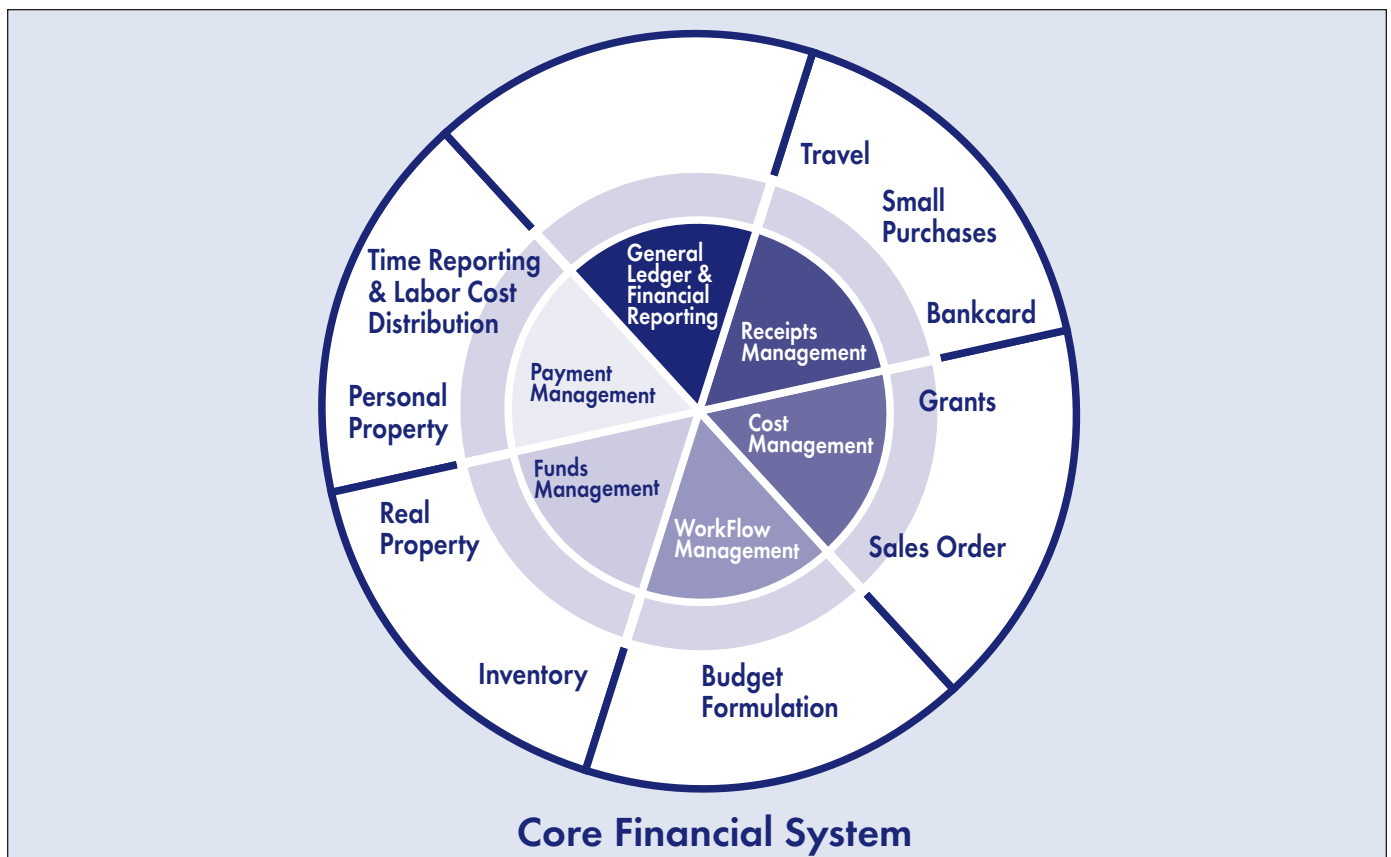
expert software support and testing for bureau CAMS implementation teams. Bureau CAMS implementation teams address bureau-specific CFS requirements. Examples of bureau responsibilities include developing bureau-specific operating procedures required to support CFS, converting existing financial information from legacy systems into CFS, maintaining interfaces from any accounting feeder systems not replaced by CAMS modules, training and supporting bureau end-users, and acquiring and operating the necessary hardware and system software required to support the CFS application at the bureau.

While initial CAMS implementation efforts resulted in isolated successes, the DOC Chief Financial Officer was concerned about the program not achieving results in a timely and cost-effective manner. As a result, the CFO directed a strategic restructuring of CAMS. As planned, during FY 1998 the CAMS Program Management structure was consolidated under the direction of the DOC CFO, Deputy CFO, and CAMS Program Manager. In addition, bureau Chief Financial Officers were asked to serve in a project advisory capacity and to report to the CFO and DCFO on matters related to CAMS and on parallel efforts to secure clean audit opinions.

The focus of CAMS implementation efforts was the pilot project conducted at the Census Bureau. Implementation efforts at other bureaus were sharply reduced. During FY 1998, Census successfully completed its implementation of the CAMS Core Financial System, as well as the deployment of the Small Purchases, Purchase Card, and Time Reporting and Labor Cost Distribution modules.

To help analyze the Census CAMS pilot results, DOC secured the services of a contractor to conduct an independent verification and validation (IV&V) review. The IV&V found that the Census CAMS pilot was successful but recommended some changes in direction for future DOC financial systems development. Drawing upon the IV&V results, the CFO directed that CAMS implementations continue at NOAA and NIST. Remaining DOC bureaus were strongly encouraged to explore outsourcing their financial systems in a manner similar to the Patent and Trademark Office's arrangement with the Department of the Interior. Detailed plans based upon this new direction will be developed during the first quarter of FY 1999.

The subsections that follow summarize the major components of CAMS and address the implementation status for each bureau's financial systems



implementation efforts. In addition, Appendix IV to this report presents the DOC's plan to bring its financial management systems into compliance with the Federal Financial Management Improvement Act of 1996.

2. CAMS Component Applications

This subsection describes each major CAMS software component.

a. Core Financial System

The CFS portion of CAMS will encompass modules for General Ledger and Financial Reporting, Payment Management, Receipts Management, Funds Management, Cost Management, and Workflow Management. CFS complies with Joint Financial Management Improvement Program (JFMIP) guidelines, provides an effective audit trail, and produces necessary financial reports. The CFS will communicate with other administrative systems as appropriate. During FY 1998, CFS was enhanced to support the additional financial reporting requirements mandated by OMB Bulletin 97-01 and related Treasury Department guidelines. Census generated its financial reports and statements electronically from CFS.

b. Small Purchases System

The Office of Acquisition Management (OAM) handles procurement management throughout the Department and has been delegated authority to determine all Departmental acquisition systems. OAM prepared a vision and concept of operation for a new automated procurement system and conducted extensive market research of available commercial off-the-shelf (COTS) software. Commerce formed teams of procurement professionals to reengineer and streamline the Department's acquisition processes and to document the requirements for the Department's Small Purchases system. An extensive Statement of Work/Specifications document was prepared. Contract systems requirements and CONOPS requirements were not identified as part of this process.

A team of Commerce, Census, and contractor programmers developed an initial version of the Commerce Small Purchases System (CSPS). This

team began with Census-developed software and a modified version of the CFS software and deployed the initial release of CSPS at Census during FY 1998.

c. Purchase Card System

Under NOAA's leadership, a team of bureau representatives identified and documented the Department's requirements for a Purchase Card System. After reviewing Commerce and other government software, the team determined that Census-developed software could meet most of the Department's requirements. The team developed an implementation strategy and designed the proposed system.

When fully implemented, the CPCS will (1) integrate with the CFS, (2) accept electronic transaction data from, and generate electronic payments to, Commerce's bankcard vendor, (3) allow bankcard users to electronically reconcile transaction and purchase data and also record and adjust accounting data, and (4) register and track bankcard users.

d. Time Reporting and Labor Cost Distribution System

Under NIST's leadership, a team of bureau representatives documented the Department's requirements for a labor cost estimating system. The team developed a design for the system and identified revisions needed in the Department's Time and Attendance System to satisfy labor cost estimating, and the system was implemented at Census during the FY 1998 CAMS pilot.

A team also analyzed how best to provide actual labor cost data to the CFS. Commerce relies on the Department of Agriculture's National Finance Center (NFC) for its payroll/personnel system. The NFC system currently provides actual labor cost data to Commerce's several financial systems. The team investigated the current linkages between Agriculture's system and Commerce financial systems and developed a single standard interface that will provide the appropriate labor cost data to all CFS implementations.

The labor cost estimating capability uses time and attendance data to generate estimates of the labor costs incurred in the most recent pay period, within several days of the end of the pay period. Such estimates are intended for the use of program managers for "flash reporting" purposes before the NFC makes the final payroll files available to the bureaus.

e. Other CAMS Modules

While a number of details regarding the future direction for CAMS continue to be worked out, the Department has determined that due to cost concerns, it will limit the near-term focus to the core functionality of CAMS. "Core" CAMS includes the CFS and modules for small purchases, purchase card, time reporting and labor cost distribution. As described above, the core modules will enable the DOC to achieve its critical objectives of bringing its systems into compliance with the legislative requirements for financial systems. Other modules included within the original vision for CAMS include Travel, Personal Property, Real Property, Grants, Inventory, Sales Order, and Budget Formulation.

The "non-core" CAMS modules will provide additional needed functionality that will help us meet our goals for operational improvements. However, the CFO has determined that to reduce overall costs and risks, the DOC's near-term focus for subsequent CAMS deployment will be limited to the successful implementation of core CAMS capabilities. DOC and the bureaus will resume focus on other CAMS modules following deployment of core CAMS functionality at each bureau.

f. Year 2000 Financial System Compliance

When Commerce began to rethink the CAMS project, it recognized the need to act to ensure that its financial and related systems could handle Year 2000 transactions. This involved changes to financial systems, functional administrative systems tied to the financial systems, and mixed systems (program systems that generate financial transactions). Since that time, Commerce has deployed its limited resources carefully to ensure that all such systems will handle Year 2000 transactions within the appropriate period.

3. Bureau Implementation and Year 2000 Compliance

This subsection describes the current situation and plans for each of the DOC bureaus. The chart on page 8 summarizes the CAMS implementation status of each bureau. The following bureau discussions also provide updates on each bureau's Year 2000 compliance initiatives.

Bureau of the Census

During FY 1998, Census completed the implementation of CFS and implemented the three functional systems included within the scope of the CAMS pilot (Time Reporting and Labor Cost Distribution, Purchase Card, and Small Purchases). In addition, Census initiated efforts to replace its current Order Entry, Inventory and Personal Property systems with Year 2000 compliant COTS systems. During FY 1999, Census also plans to convert its Travel system to use the same database software used by the CFS, make it Year 2000 compliant, and integrate it with the CFS. Census will rewrite its remaining administrative feeder systems to accommodate the same database software used by the CFS. Census financial feeder systems (Training, Electronic Signature, Postal, Printing, Accrued Depreciation, Property and Inventory) have been updated for Year 2000 compliance.

National Institute of Standards and Technology (NIST)

Depending upon the success of the pilot, NIST will implement the Small Purchases, Bankcard, and Time Reporting and Labor Cost Distribution Systems when it implements the CFS. NIST is working toward ensuring it has Year 2000 compliant systems to process Personal Property, Real Property, Grants, and Travel activity.

NIST has confirmed that the following of its legacy systems are now Year 2000 compliant: Accounts Payable, Cost Accounting, General Ledger/Financial Reports, Funds Control, and Management Reporting. Efforts are underway to update the Federal Accounting and Reporting System (FARS).

FARS Bureaus:

- Office of the Secretary
- Economic Development Administration
- Economics and Statistics Administration
- Minority Business Development Agency
- Working Capital Fund
- Franchise Fund
- Bureau of Economic Analysis

NIST is working to update FARS for Year 2000 compliance by February 1999.

National Oceanic and Atmospheric Administration (NOAA)

During FY 1998, NOAA continued its limited deployment of the CFS Accounts Payable module. Following final review of Census pilot results, detailed plans for future NOAA CAMS implementation efforts will be finalized. Currently, September 2000 remains the target for completion of the CFS rollout at NOAA.

NOAA has updated its Financial Accounting and Commitment Tracking System (FACTS) for Year 2000 compliance. NOAA is continuing its efforts to update its Financial Information Management Accounting system (FIMA) and the NOAA Payment System (NPS).

NOAA is continuing in its efforts to make its current Grants system Year 2000 compliant. Ultimately, NOAA will interface its Grants accounting data with CFS, in accordance with its overall CFS imple-

mentation schedule. NOAA will also continue to use the NFC's personal property system, which the NFC is working to make Year 2000 compliant.

International Trade Administration (ITA)

Based upon the Census CAMS pilot IV&V review, ITA will explore a financial systems outsourcing arrangement similar in nature to PTO's arrangement with the Department of the Interior. ITA plans to implement an appropriate outsourcing arrangement during FY 1999.

Patent and Trademark Office (PTO)

PTO receives financial management services from another Federal agency, the U.S. Geological Survey (Survey), which employs a COTS software product. During FY 1998, the Survey and its commercial vendor upgraded its COTS Federal Financial System

Summary View of Bureau CAMS Implementation Status

	CFS	Small Purchases	Purchase Card	Time Reporting and Labor Cost Distribution
Census	Fully implemented	Fully implemented	Fully implemented	Fully implemented
NIST	FY 2001	FY 2001	FY 2001	FY 2001
FARS Bureaus (BEA, ESA, MBDA, OS, EDA)	FY 2002	FY 2002	FY 2002	FY 2002
NOAA	Partial implementation of A/P and G/L, continued deployments during FY 1999	Planned implementation during FY 1999	Planned implementation during FY 1999	Implement starting in FY 2001
ITA	ITA will explore cross-servicing alternatives	ITA will explore cross-servicing alternatives	ITA will explore cross-servicing alternatives	ITA will explore cross-servicing alternatives
PTO	No current plans to deploy CAMS	No current plans to deploy CAMS	No current plans to deploy CAMS	No current plans to deploy CAMS
NTIS	No current plans to deploy CAMS	No current plans to deploy CAMS	No current plans to deploy CAMS	No current plans to deploy CAMS

(FFS) product to enable compliance with Year 2000 processing requirements. PTO uses a small purchases system, Procurement Desktop, that is Year 2000 compliant. PTO also has implemented and uses a Year 2000 compliant revenue system, the

Revenue Accounting and Management System. PTO is upgrading FFS' input functionality to Program Office Desktop (POD). POD is a COTS product and has been tested and certified to comply with Year 2000 standards and requirements.

FY 1997 Audit Summary

Reporting Entity	Audit Scope	Audit Opinion	Material Weaknesses	Reportable Conditions
Bureau of Export Administration	Full Scope	Unqualified-BS Disclaimer-IS	1	1
Economic Development Administration	Full Scope	Qualified-BS Disclaimer-IS	1	5
Economic and Statistics Administration & Bureau of Economic Analysis	Full Scope	Unqualified	0	1
Bureau of the Census	Full Scope	Unqualified-BS Disclaimer-IS	1	2
General Administration Working Capital Fund / and Salaries & Expense Franchise Fund Office of Inspector General Gifts & Bequests	Full Scope Full Scope None None	Unqualified Disclaimer N/A N/A	1 4	6 2
International Trade Administration	Full Scope	Disclaimer	6	4
Minority Business Development Agency	Full Scope	Unqualified	0	2
National Oceanic and Atmospheric Administration	Full Scope	Qualified-BS Disclaimer-IS	6	11
National Telecommunications and Information Administration	Full Scope	Unqualified	0	0
Patent and Trademark Office	Full Scope	Unqualified	0	3
Technology Administration	Full Scope	Unqualified	0	0
National Institute of Standards and Technology	Full Scope	Unqualified	0	1
National Technical Information Service	Full Scope	Unqualified-BS Disclaimer-IS	1	4
TOTALS			21	42

BS=Statement of Financial Position (Balance Sheet)

IS=Statement of Operations (Income Statement)

National Technical Information Service (NTIS)

NTIS uses a commercial Personal Property system that it expects the vendor to make Year 2000 compliant. For the other necessary functional systems, it expects to continue to rely on software maintained by other Federal agencies. NTIS identified three mixed systems that are not Year 2000 compliant. It plans to use its own resources to enable it to handle Year 2000 transactions.

B. Issue Financial Statements and Accounting Standards

1. Financial Audits

Financial Audit Status

In compliance with the Government Management Reform Act of 1994 (GMRA), DOC produced consolidated financial statements for the Department of Commerce for FY 1997. Also, under the provisions of the Chief Financial Officers Act of 1990, FY 1997 financial statements were prepared for 18 reporting entities of Commerce, covering 57 appropriation funds and totaling \$3.76 billion in budget authority and \$5.95 billion in budgetary resources. These 18 components of the Department include over 33,000 full-time employees in more than 700 locations throughout the United States and the world. DOC considers the preparation of audited financial statements for these reporting entities a significant achievement by the bureaus. It also represents a significant effort to continue correcting long-standing audit and financial management issues. The results of FY 1997 bureau-level financial audits are summarized in the table on page 11.

FY 1997 Financial Audit Material Weaknesses

The following summarizes the material weaknesses reported by the auditors.

1. The Department's financial management should be improved to provide accurate and reliable financial and performance information. As of September 30, 1997, four of the Department's bureaus did not have permanent CFOs. However, since that date two of these positions have been filled and the other two have acting CFOs. In addition, managers are not effectively using and

monitoring financial reporting data, and the status of pending or threatened litigation that may financially affect the Department is not effectively communicated to the appropriate financial managers.

2. The Department's systems should be improved to provide accurate and reliable financial and performance information. This has been a Departmental high-risk area for several years, and our approach to correcting this area is outlined in the corrective action section that follows. Several bureaus do not have comprehensive security policy manuals that define the responsibilities and positions within the organization. There are also inappropriate segregations of duties within bureau information system organizations, and changes to software programs are not adequately controlled. The Department has selected a Chief Information Officer whose primary duties are information resources management. Commerce has also created an Office of Security whose responsibilities include managing computer security risks. An Investment Technology Review Board has also been established to prescribe policy and responsibilities for the information technology capital planning and investment process.

3. Preparation of the consolidated financial statements should be improved. Elimination entry procedures performed at the bureau level noted that many of the listings submitted for elimination were incomplete. Additionally, several bureaus did not confirm intra-Commerce balances and reconciliations of differences. However, in managing the elimination entry process centrally, Commerce was able to cross-check the activity of the bureaus against each other, providing control over this process. Planned systems improvements will also improve this area.

4. Controls surrounding the identification of potential contingent liabilities and unasserted claims should be improved. Bureau management does not have a formal policy to inquire of the Office of General Counsel (OGC) on a regular basis about the status of potential liabilities under existing cases and unasserted claims. Historical information relating to actual amounts paid is not maintained by either the Department or OGC management. The Department is working now to develop the communication and processes necessary to obtain and maintain information on Judgment Fund cases, as well as those cases handled internally.

5. Controls surrounding property should be improved at seven reporting entities. Transactions

were not supported or did not agree with supporting documentation. Capital assets that have been disposed of were not properly removed from the subsidiary ledgers. The Department's bulk purchase policy has not been properly implemented at the bureaus to ensure that these purchases are consistently capitalized.

6. Controls surrounding obligations/undelivered orders, accounts payable/accrued expenditures, and expenses should be improved at nine reporting entities. Bureaus had undelivered orders which should have been liquidated as of the statement date. Other undelivered orders did not have available supporting documentation. Bureaus did not properly accrue for transactions requiring estimation at year-end or recorded accruals improperly. One bureau did not properly record and monitor grant expenses.

7. Reconciliations should be improved at eight reporting entities. Cash reconciliations were often not adequately documented. Accounts payable and receivable were not always reconciled to the detail of individual amounts comprising the balance. Reconciliations between the Time and Attendance System and the National Finance Center's Payroll System are not being performed in an accurate or timely manner.

CORRECTIVE ACTIONS

Corrective Action Plans

The Department is continuing to work to strengthen management control and accountability over financial resources by correcting internal control

problems brought to light by financial audits. Commerce bureaus are required to prepare Corrective Action Plans for all material weaknesses and reportable conditions reported by auditors. Several bureaus have established audit resolution committees to monitor their progress in correcting weaknesses. NOAA, which constitutes roughly half of the entire Department's budgetary authority, has also conducted annual CFO Audit Conferences where senior management officials from the bureau come together to tackle control issues identified in audit findings.

The Department's Office of Financial Management (OFM) and the OIG have established a system to monitor audit follow-up actions on a semiannual basis. This effort involves comparing corrective actions taken with actions planned. OFM's objective is to complement and support bureau efforts to correct internal control deficiencies. OFM also provides on-site assistance to bureaus in correcting reported internal control problems. During the past fiscal year, OFM has worked with several bureaus to correct property management records and related property account balances in the financial statements. Staff assisted in developing strategies for taking physical inventories, observed physical inventories, and compared records to account balances. In addition, OFM staff provided assistance in updating records for leases, reviewing a system to account for trade events, establishing the liability for foreign nations and reconciling accounts payable to supporting records.

The following table illustrates the progress made in FY 1997 toward correcting all material weaknesses and reportable conditions.

Summary of Material Weaknesses (MWs) and Reportable Conditions (RCs)		
	MWs	RCs
Reported for FY 1996	37	39
Corrected	18	19
FY 1996 MWs reported as RCs in FY 1997	-6	6
FY 1996 RCs reported as MWs in FY 1997	1	-1
New in FY 1997	7	17
Reported for FY 1997	21	42

2. Accounting Standards

In 1990, the General Accounting Office (GAO), Treasury, and OMB established the Federal Accounting Standards Advisory Board (FASAB) to recommend accounting standards for the Federal Government. The following hierarchy is generally accepted accounting principles for the Federal Government (FED GAAP):

1. Individual standards agreed to by the Director of OMB, the Comptroller General, and the Secretary of the Treasury and published by OMB and GAO.
2. Interpretations related to the SFFASs issued by OMB in accordance with the procedures outlined in OMB Circular A-134, "Financial Accounting Principles and Standards."
3. Requirements contained in OMB's Form and Content Bulletin in effect for the period covered by the financial statements.
4. Accounting principles published by other authoritative standard-setting bodies and other authoritative sources (a) in the absence of other guidance in the first three parts of this hierarchy and (b) if the use of such accounting standards improves the meaningfulness of the financial statements.

The DOC Accounting Principles and Standards Handbook (the DOC Accounting Handbook), outlines Departmental accounting policy for all Commerce reporting entities and conforms to FED GAAP. The Department provides financial managers and accounting staff with the DOC Accounting Handbook as a reference guide in accounting for financial transactions. In addition, a

CFO guidance memorandum provides specific instruction for the preparation and submission of annual financial statements. This guidance is prepared pursuant to OMB's Form and Content Bulletin.

OFM works closely with the OIG and bureau finance officers to assist in the proper implementation of Commerce standards and guidance. As a result, they have developed a cooperative working environment that helps ensure that quality direction is provided. When specific issues arise, OFM conducts thorough studies using available literature and consults with the central agencies, the FASAB, the OIG, and similar organizations to develop the best possible financial management standards.

Accounting Standards Accomplishments

- FASAB has issued 13 exposure drafts and one "invitation for view" (IFV); OFM has reviewed and commented on 11 of these exposure drafts and the one IFV.
- OFM has testified before FASAB on two exposure drafts.
- OFM has revised the DOC Accounting Handbook for six Statements of Federal Financial Accounting Standards (SFFAS) and one Statement of Federal Financial Accounting Concepts (SFFAC).

Accounting Standards Plan

OFM staff will continue to work closely with the OIG and bureau finance officers to ensure proper implementation of Commerce standards and guidance. When specific issues arise, OFM staff will review relevant literature and consult with the cen-

Accounting Standards Planning Milestones

Review and comment on FASAB's exposure drafts	Ongoing
Update the DOC Accounting Handbook to include OMB standards	Ongoing
Issue guidance to implement OMB's form and content guidelines for the preparation of FY 1998 financial statements	Jan. 1999
Research accounting standards issues and problems related to the preparation and audit of financial statements	Ongoing
Train financial management personnel to implement accounting standards and OMB form and content	Ongoing

tral agencies, the FASAB, and similar organizations to apply appropriate financial management standards.

OFM will continue to evaluate existing financial policies to ensure consistency with FASAB requirements and to streamline, simplify, and reduce the volume of current financial regulations and requirements. OFM will expand its capability to assist bureaus in interpreting and implementing financial management policies and will continue to be proactive in working with the CFO Council and central agencies to achieve financial management improvements throughout the Government.

OFM will review and comment on future FASAB exposure drafts and testify on proposed standards when necessary. OFM will update the DOC Accounting Handbook as OMB issues FASAB accounting standards.

C. Implement Government Performance and Results Act

GPRA Status

The Department of Commerce is actively participating in implementation of the Government Performance and Results Act of 1993 (GPRA). Commerce began the GPRA pilot implementation process in FY 1993, issuing guidance that underscored the relationship between performance measurement and the budget process. In FY 1994, a detailed planning and pilot program design resulted in the selection of four bureaus to participate in two GPRA pilots: NTIS and PTO. Census participated in a study of electronic information distribution activities, and NOAA tested various methods of performance measurement related to its overall strategic plan and especially its research measures. OMB accepted these projects from the Federal Government's first group of pilots and identified NOAA's plan as one of the ten best of the 75 received.

Commerce was one of only eight applicants (of the original 75 pilots) to seek participation in the second round of pilot tests under GPRA. These pilot tests, which would have granted increased managerial flexibility in exchange for greater productivity, were restricted to agencies participating in the original series of pilots. The NOAA pilot test would have conferred "Expert Manager" status on a

series of managers who voluntarily sought participation in a rigorous program of pursuing scientific missions more freely, but with clear assurances (via regular reporting) that they are performing all appropriate administrative functions. The pilot tests for PTO would have waived specific pay, contracting, and procurement requirements, and NTIS's plan involved waivers of credit management and customer survey requirements. Census had decided not to participate in this second series of pilot tests. OMB has not begun this second series of pilots for any agency, and its plans to do so are unclear.

In the spring of 1996, OMB began accelerating GPRA implementation and shifting the focus of its activities. Although the pilot projects remain an important activity, the assessment of which will be crucial to effective implementation of the Act, OMB began to shift emphasis to the development of strategic plans and required agencies to provide draft strategic plans (containing specific goals, objectives, and performance measures) for review in the summer of 1996. The strategic plans were put in place by September 30, 1997 (for FY 1999).

Commerce has responded to this requirement effectively. Following a series of intense work sessions involving all bureaus, it developed and submitted a Departmental plan. The DOC Strategic Plan contains a mission statement and a series of goals that focus on the three major program areas: Economic Infrastructure, Science/Technology/Information, and Resource Stewardship. Bureau teams developed an approach for integrating their program activities across these three areas to clearly show the synergy and relationships between various Commerce activities.

GPRA Accomplishments

- Commerce developed a strategic planning framework.
- Commerce developed and submitted a draft DOC Strategic Plan.
- OMB commented very favorably on the Commerce Strategic Plan, citing it as being among the best, Government-wide. As a "living" document, the Plan was revised in March, April and June 1997.
- Strategic Planning has become elevated in importance to senior Commerce staff. It was featured prominently in the FY 1999 and FY

2000 budget process guidance issued by the Secretary and the Office of Budget.

- The Chief Financial Officer and bureaus have agreed on GPRA performance measures.
- Bureaus are providing performance measures in their FY 2000 budget requests, which they will use to develop the FY 2000 Annual Performance Plan GPRA requires.
- As required by the Act, all bureaus consulted with stakeholders during the spring of 1997 to secure their comments and make necessary changes in the plan.
- Commerce has continued the ongoing Congressional consultation process and will continue to make necessary changes as suggested.
- Commerce agreed with OMB on the final DOC Strategic Plan and has used the plan as the basis for the FY 1999 budget formulation process. Commerce will also use the plan as a basis to develop the FY 2000 budget and Annual Performance Plan.
- The Department provided its final Strategic Plan to OMB and the Congress.
- The Department provided its first Annual Performance Plan to OMB and the Congress as part of the FY 1999 Budget Submission.

- The Department of Commerce is currently formulating its FY 2000 Budget and is concurrently developing its FY 2000 Annual Performance Plan.
- As part of its effort to develop an improved FY 2000 Annual Performance Plan, the Department has retained the services of Andersen Consulting to supplement its performance management expertise and move more in the direction of results-based management.

GPRA Plan

Commerce worked with OMB, GAO, and other agencies in assessing its planning process. The Department negotiated with OMB about the content and direction of the DOC Strategic Plan to meet the September 30, 1997, requirement for delivery of the final Strategic Plan to Congress. Concurrently, the Department is emphasizing linking GPRA performance measures to strategic plans and budgets and the requirements of the CFO Act. Integrating GPRA requirements with existing planning, budgeting, program evaluation, and financial accountability processes is vitally important to accomplishing the purposes of GPRA.

One barrier to effective use of performance measures is the physical process of gathering program performance data. The development of appropri-

GPRA Planning Milestones	
Assist OMB, GAO, and other agencies in developing GPRA implementation guidance, including guidance on performance budgeting	Ongoing
Work with OMB to refine the FY 2000 Annual Performance Plan (APP)	FY 1999
If OMB decides to do so, work with OMB to conduct FY 1999 performance-based budgeting projects under GPRA pilots	FY 1999
Fully implement GPRA with annual performance plans and measurable goals for all program activities	FY 1999
Begin developing a performance report, which is due to the Congress in March 2000	FY 1999
Improve the FY 2000 APP	FY 1999
Begin developing the FY 2001 APP	FY 1999
Consider changes to the Department of Commerce Strategic Plan to reflect modifications to goals, objectives, and performance measures contained in the FY 2000 APP, as well as other format changes	FY 1999
Continue to serve as the contractor for the National Academy of Public Administration Performance Consortia	FY 1999

ate management information systems, as part of the Department's modernization effort, is critical for collecting relevant data, tracking progress in achieving performance goals, and ensuring integrity and accountability for reported performance. In addition, as part of the development of its FY 2000 Annual Performance Plan, Commerce began improving its processes for verification and validation of performance data and its processes for conducting program evaluations.

D. Ensure Management Accountability and Control

Management Accountability and Control Status

In response to OMB Circular A-123, "Management Accountability and Control," the Department has streamlined its management accountability and control by integrating the control process into the operations of its bureaus. The Department uses program reviews, OIG audits, GAO studies, and GPRA performance measures as part of a system that provides reasonable assurance that they protect Departmental resources against misappropriation, mismanagement, waste, and fraud. The Department must ensure that the system carries out all existing and new program and administrative activities according to applicable law and sound management policy. The OIG conducts audits, inspections, and surveys to determine the effectiveness of the total internal control system. In addition, the bureaus use the annual Federal Managers' Financial Integrity Act (FMFIA) reporting process to provide reasonable assurance that internal controls are working as designed and to affirm their corrective actions.

The Department's major long-term corrective action strategy is to use the CFS as the foundation for helping to solve many existing financial management internal control weaknesses. Meanwhile, OFM is providing technical assistance to bureaus to help identify and solve problems that will ease the transition to a new system.

In 1997, no new material FMFIA weaknesses were reported. Of the four existing weaknesses, one deals with the failure of the Department's financial management systems to comply with central agency requirements for a single, integrated financial system. This weakness is fully discussed

above in the section entitled "Improve Financial Management Systems" and is further discussed in Appendix II. Accomplishments in correcting the three remaining weaknesses are summarized as follows:

Management Accountability and Control Accomplishments

Material Weakness. NOAA fleet is inactive, obsolete, and deteriorating rapidly.

- NOAA has disposed of its inactive vessels and removed six obsolete ships from service, replacing them with modern, efficient NOAA ships and is outsourcing and contracting for additional data collection. Remaining NOAA vessels have been repaired and upgraded and are in better condition than in the early 1990s when the fleet was identified as a material weakness. In FY 1997, Days-at-Sea (DAS) lost to mechanical or equipment failure were less than 2 percent. NOAA has completed a Memorandum of Agreement with university vessel operators for the joint scheduling of NOAA and university oceanographic research ships. In FY 1998, 30 percent of DAS for oceanographic research and fisheries stock assessment and research were acquired through outsourcing, and 50 percent of the hydrographic data acquisition effort was outsourced.

Material Weakness. Existing technology and equipment at the National Weather Service/NOAA is outdated and inadequate.

- The National Weather Service (NWS) continues its Modernization and Associated Restructuring (MAR) to replace obsolete and outdated equipment, incorporate new technologies, and integrate operational improvements to realize efficiencies.

Already, the NWS, in conjunction with the Federal Aviation Administration (FAA) and the Department of Defense (DoD), has replaced 1950s and 1970s-type weather radar with over 120 that integrate and process more data, more quickly and accurately. This new equipment has provided greater success in the short-fused warning programs, both in accuracy and lead time. Computer-generated estimates of certain hydrometeorological fields (such as radar rainfall estimates and storm tracks) provide meteorologists and warning support staff with critical new elements of cutting-edge technologies.

Again, in conjunction with its partners, the NWS has also installed over 1,000 Automated Surface

Observing Systems, which constantly report surface weather conditions. Monitoring the earth from over 23 miles up, new NWS-deployed satellites have far greater resolution and, along with new communications technologies employed, provide more data more rapidly.

Another linchpin of the NWS MAR is the ongoing deployment and integration of AWIPS. AWIPS will integrate technologies available to forecasters, allowing them to more fully concentrate on weather interpretation and forecasting. Model data from new central computer facility supercomputers will provide additional weather model data, with greater resolution and greater availability to more accurate models.

Material Weakness. Census needs to better manage the design and implementation of the 2000 Decennial Census.

- The Department completed the early stages of its dress rehearsal, using statistical sampling in two of the three sites and components of a traditional census in the third site. The Department will proceed with its plan for a traditional census in keeping with the Supreme Court's decision. In addition, the Census Monitoring Board has been organized, and members and staff have been appointed.

Management Accountability and Control Planning Milestones

Continue to use audits, surveys, and internal reviews to monitor bureau operations	Ongoing
Determine reporting elements to include in the accountability report and the budget document	FY 1999
Prepare mock-up of a departmental accountability report, based on FY 1999 data and a consolidated financial statement	FY 1999
Establish revised FMFIA reporting dates to coincide with the accountability report and the budget request	FY 1999
Implement accountability report based on FY 2000 data with all required GPRA information	FY 2000

Management Accountability and Control Plan

In producing the most useful management information, as required by GPRA, the Department will be evolving from preparing an array of separate management control reports to a more streamlined reporting environment. The new reports will consist of an accountability report and an expanded budget document. The expanded budget request will include greater information on program performance in the Strategic Plan. The starting point for the accountability report will be a consolidated financial statement (also see the "Financial Statements" section above). Once a consolidated statement is prepared, OFM will continue to make improvements by expanding the scope to include other management control reporting, such as performance information as required by GPRA. The Department must then decide which elements of current management control reporting (including the "Financial Management Status Report and Five Year Plan," and the FMFIA report) will be incorporated in the accountability report and which ones will be included in the Budget Request.

E. Develop CFO Organizations and Financial Management Workforce

1. Financial Management Organization

Organizational Status

In 1991, Commerce established the Chief Financial Officer and Assistant Secretary for Administration position to head Department-wide financial and administrative management in all nine offices and to ensure effective communication with senior management.

The Deputy Assistant Secretary for Administration is the Assistant Secretary's principal assistant. The Deputy Assistant Secretary develops and manages the centralized Departmental security program; establishes policies and procedures for personnel security; safeguards classified and sensitive documents, information, and systems; protects departmental personnel, facilities and property; maintains

a Departmental "Occupant Emergency Program" and Department-wide emergency preparedness program; and serves as the Department's liaison with agencies of Federal, state, and local governments in security matters, protective intelligence matters, and administrative investigations that are not under the Inspector General's jurisdiction.

Serving as the Deputy CFO, the Director for Financial Management is responsible for day-to-day implementation of the CFO Act and the GMRA. OFM works closely with bureau finance officers to effectively implement financial policies and standards and improve financial management practices and operations. OFM has lead responsibility for modernizing the Department's financial management systems, and in a cooperative venture with the bureaus, OFM has undertaken CAMS development and implementation.

The Chief Information Officer (CIO) reports to the Secretary on Information Technology matters and to the Assistant Secretary on general management matters. Information resources management is the CIO's primary duty. The CIO has Department-wide approval and risk management responsibility for automated and nonautomated information systems, including development, coordination, and implementation of policies, plans and rules; evaluation of information system investments against cost, schedule, and performance criteria; and in collaboration with the Deputy Assistant Secretary for Security, the security and architecture of information systems throughout their life cycle development. This responsibility includes all technologies for managing information including hardware, software, telecommunications facilities, databases, and office automation capabilities; providing information technology services, including applications development for administrative systems, to the office of the Secretary and assigned operating units; and managing the Department's information technology resources including local and wide-area telecommunications, hardware platforms, software, office automation facilities, and user services. The CIO implements the management and use of information technology resources.

The Office of Management and Organization provides management and organizational analysis support for the Office of the Secretary and, as required, for the operating units. The office also plans, develops, implements, and evaluates policies and procedures for Department-wide management

and management control systems; performs management consulting, organizational review, management improvement and directives management functions; administers the Department's management control; and audits follow-up and GAO liaison activities.

The Office of Budget is the principal adviser to, and representative of, the Assistant Secretary for Budget, strategic planning, and program monitoring and evaluation matters and serves as adviser to other Department officials with respect to these matters.

The Office of Small and Disadvantaged Business Utilization is responsible to the Deputy Secretary on matters of policy and legislative requirements and to the Assistant Secretary and Deputy Assistant Secretary for Administration on administrative matters.

The Director for Systems and Telecommunications Management is responsible for network integration and technical assistance required to support the Department's administrative and program management systems, including the development and implementation of the CFO's financial systems' modernization program, CAMS.

The Office of Executive Budgeting and Assistance Management (OEBAM) has Department-wide responsibility for developing and implementing financial assistance administration and operational policies; formulating, justifying and executing General Administration's budgets, including the Working Capital Fund and other Office of the Secretary resources; developing, disseminating, and managing Departmental travel policies and procedures; providing travel services for the Office of the Secretary and certain designated operating units; reviewing and making recommendations on acceptance and expenditures for the Department's Gifts and Bequests Fund; and providing a wide range of management support services. OEBAM also serves as the Grants Officer for ITA, MBDA, NTIA, and OS.

The Office of Civil Rights (CR) develops affirmative employment program plans; assists operating units in developing plans, programs, and proposals; and processes complaints. CR also initiates community outreach and cultural awareness programs and conducts Equal Employment Opportunity (EEO) investigations.

The Office of Human Resources Management

(OHRM) provides leadership and oversight, develops policies, and directs programs in all aspects of human resource management and administration. These matters include administration of pay, bonuses, incentives, and performance appraisal; administration of payroll support and time-and-attendance controls; workers' compensation; and unemployment compensation. Also, the OHRM provides the full range of personnel and payroll advice and services to the Office of the Secretary and other components of the Department within its servicing area.

The Office of Acquisition Management (OAM) represents the Department in all external procurement policy matters. OAM provides guidance in procurement activities and supports the development of procurement systems in the Department.

The Office Administrative Services (OAS) manages the main Department of Commerce building and other Federal real property. It manages print publications such as the *Commerce Business Daily*.

The Administrative Law Judge presides at hearings required by statute or agency regulations.

Many of the bureaus have reorganized to establish CFO or similar positions of financial leadership that are accountable for all financial matters within their bureaus. NOAA established and filled a CFO position in FY 1998 for NWS. NOAA established, and is in the process of filling, a CFO position in the National Ocean Service. NIST has designated an acting CFO and expects to fill this position in FY 1999. PTO is actively trying to fill its CFO position.

To improve coordination, communication, and accountability in financial management and administrative management, the Department adopted a new approach to planning and evaluating the performance of the bureau chief financial officers. The Chief Financial Officer provided the bureau chief financial officers an informal assessment of their organizations' performance during FY 1998. For FY 1999, the Chief Financial Officer will be a supervisor of record for the bureau chief financial officers, responsible for 50 percent of their annual performance rating. The rating will be based on a framework of performance measures, performance targets, and specified programmatic initiatives agreed to by the Chief Financial Officers, the Heads of Operating Units, and the bureau chief financial officers.

Clear communication and open dialogue are crucial across the entire finance community. To facilitate such communication, Department financial managers have formed the Commerce CFO Council. The Council usually meets monthly to discuss common financial management issues and problems.

To further communicate, the Commerce finance community increasingly relies on the CFO Council sponsored FinanceNet, providing accountants and analysts with Internet access to Government-wide financial management information. OFM also maintains a Web page on the Internet with links to sites providing Department-wide access to reports, procedures, policy material, and other related information.

To address the need for assigning financial management responsibility, the Department has filled several key financial management leadership positions this year, including Chief Information Officer and Deputy Assistant Secretary for Security.

CFO Organization Accomplishments

- NIST and BXA designated acting CFOs and expect to fill these positions permanently in FY 1999
- Four of the Department's bureaus, Census, NOAA, EDA and ITA, have established and filled Chief Financial Officer positions.

Financial Management Organization Plan

Financial Management Planning Milestone

The Commerce CFO Council will continue to meet and improve communication flow among bureaus and among the Chief Financial Officer, Deputy Chief Financial Officer and the bureaus, improving the manner in which the Department as a whole responds to issues and problems.	Ongoing
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2. Continuing Professional Development (CPD)

CPD Status

With the enactment of the Chief Financial Officers Act of 1990, the Government Performance and Results Act of 1993, and the Government

Management Reform Act of 1994, the Department is energetically upgrading the quality of its financial management professionals. The Continuing Professional Education (CPE) program “sows the seeds” for improving the knowledge and performance of the Commerce financial management professional. Only a well trained staff can enable Commerce to do a better job with fewer resources. Past OIG financial operations surveys have criticized Commerce’s financial management staff’s skills and knowledge of accounting theory and accounting principles. To address this situation and to solve long-term staff development needs, OFM established a Department-wide CPE program for all financial management professionals.

The CPE program requires a minimum of 40 credit hours of relevant continuing professional education per year. Each bureau finance officer approves an Individual Development Plan (IDP) for each staff member, identifying essential job tasks and the knowledge and skills necessary to accomplish those tasks. Specific training and development assignments are then identified for job tasks that require strengthening. The completion of training as identified on the IDP is linked to the individual’s and the supervisor’s annual performance appraisals.

In addition to the CPE program for finance staff in the bureaus, all CFO/ASA employees are required to prepare IDPs each year.

Supervisors must identify present and future organization needs and correlate those needs with the

strengths and weaknesses of their staffs. Present weaknesses can be addressed with the CPE program. Results of the CPE program have been very good within the Office of the Secretary and its major bureaus.

CPD Accomplishments

- All bureaus have a CPE program requiring a minimum of 40 hours of training and developmental activities per year for each financial management professional. The bureaus identify and pay for training for their financial management staffs—both off-site and, in special classes, in-house. In FY 1998, the bureaus had a total of 11,722 CPE hours for 201 staff.
- In FY 1998, OFM had over 2,000 CPE hours for 34 staff members.
- OFM sponsored training on OMB’s 97-01 “Form and Content of Agency Financial Statements,” with an emphasis on the Net Cost Statement. Two sessions were held for accounting staff and one for budget personnel.
- During FY 1998, All CFO/ASA employees received extensive training on IDP preparation and customer service.

CPD Plan

OFM plans to continue working with bureau finance officers to develop IDPs for each financial management professional and to fully implement the CPE program.

CPD Planning Milestones

Sponsor professional development seminars and conferences	Ongoing
Identify training requirements related to preparation of the financial statements	Ongoing
Identify training requirements related to the introduction of CAMS modules	Ongoing
Incorporate Chief Financial Officers Council (CFOC) and JFMIP core competencies into the Department’s CPE program:	
Accountants, budget analysts, and financial managers	Ongoing
Technicians	Ongoing
Others	Ongoing

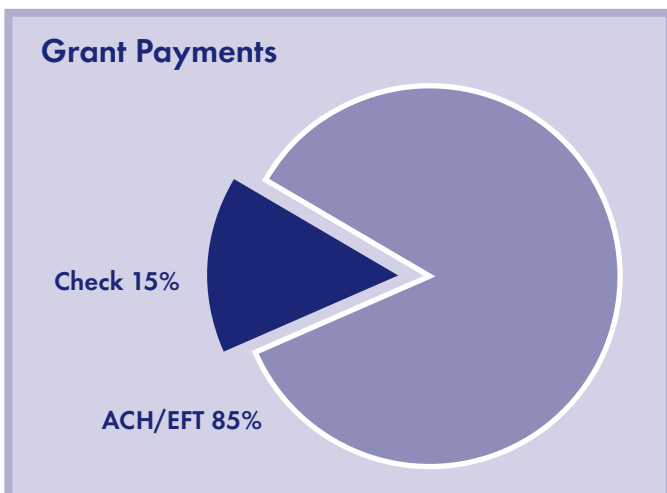
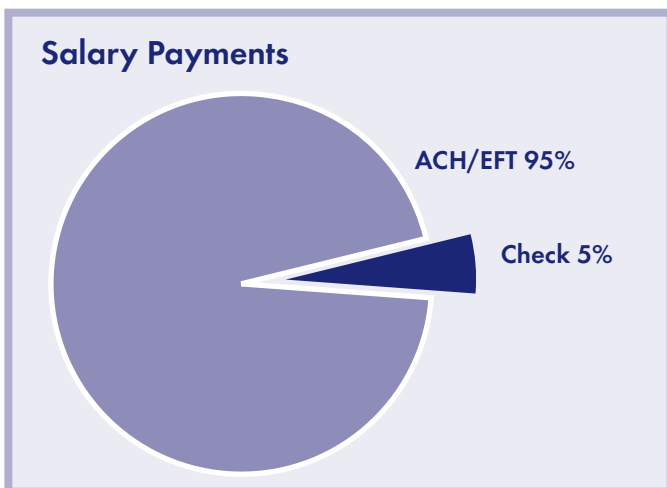
F. Modernize Payments and Business Methods

1. Modernize Payments

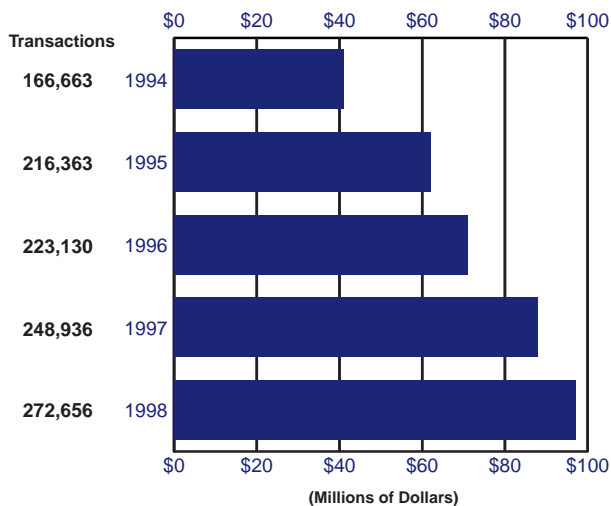
Status

The transfer of funds electronically has been utilized within the Federal Government for years. However, the Debt Collection Improvement Act of 1996 (DCIA), signed by the President on April 16, 1996, as part of the Omnibus Consolidated Recissions and Appropriations Act of 1996, requires that the majority of Federal payments be converted from a paper check process to EFT by January 1, 1999.

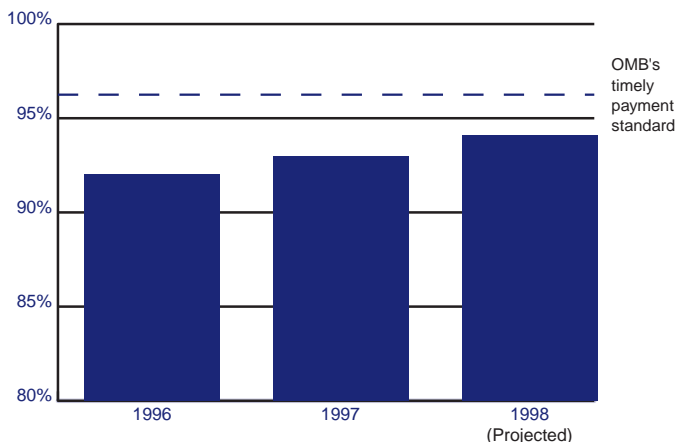
The DCIA included provisions for EFT that required all new recipients of Federal payments, except tax refunds, to receive their payments electronically unless they have certified that they do not have an



International Merchant Purchase Authorization Card (IMPAC) Procurement



Timely Payment Performance



account with a financial institution. Under certain circumstances, recipients can obtain waivers.

The Department of the Treasury has defined EFT to include wire transfers, Automated Clearing House and credit card transactions. DCIA requires that all Federal agencies use EFT for salary payments, vendor payments, expense reimbursements, and retirement and employee benefit payments.

Vendor payments clearly require the biggest conversion effort for the Department. The low rate of vendor participation in EFT is attributable to several challenges. EFT payments to vendors are accompanied by electronic remittance data (such as purchase order numbers) that are crucial to ven-

dors. Many financial institutions are not equipped with the technology to receive and pass on the remittance information to vendors.

Another obstacle to converting vendor payments to EFT is the absence of a centralized vendor enrollment system. Currently, vendors must sign up for EFT with each Federal agency with which they do business, making enrollment a cumbersome and time-consuming endeavor.

a. EFT

The Department is working with Treasury and the bureaus to propose and introduce new solutions to some of the old problems, such as the use of credit card courtesy checks and debit cards to make customer refunds. The DOC makes about 10,000 refunds per year, and expanding the acceptance of using the credit card for goods and services will improve the refund process. The refund can be easily accomplished by crediting the customer's account. DOC is also using contractors and Treasury to assist in enrolling vendors and debit cards to pay Census survey takers.

The Department has been notifying vendors and other payees of the requirements for enrollment in EFT. The bureaus are working to increase:

- 1) direct deposit for payrolls;
- 2) the use of Fedwire for payments exceeding \$100,000;
- 3) ACH for vendor, grant and travel reimbursement payments; and
- 4) the use of bankcards for small purchases.

The following chart shows the Department's volume and EFT percentage in FY 1997 for the major categories of payments.

Payment Type	EFT Percentage	Total Volume
Retirement Benefits	97	3,543
Salary	93	895,849
Vendor	37	802,534*
Miscellaneous	25	85,809
Total	65	1,787,735
*Includes Purchase Card Transactions		

b. SmartPay for Travel, Fleet, Purchase and Inter-governmental Transactions

In 1996, GSA began working on a new approach to providing Fleet, Travel and Purchase cards to Federal employees. This new approach will provide a worldwide procurement, payment and functional data storage mechanism to support/streamline purchase and payment systems.

On February 11, 1998, six GSA SmartPay contracts for the next generation of Federal Government

Modernize Payments Planning Milestones

Highlights of our continued plans for SmartPay implementation include:

Selecting purchase card systems via market research, business case analysis, and review/approval by DOC IT Review Board	FY 1999
Transitioning from existing cards	11/1998
Completing the planning and implementation of new card services	FY 1999

DOC has multiple efforts underway to increase EFT usage. Some of the highlights include:

Increasing the use of bank cards Department-wide	Ongoing
Enrolling payees and vendors for future bureau EFT disbursements	Ongoing
Enabling all bureaus to reimburse employee travel electronically through CAMS	FY 2000
Converting all checks and wire payments in the various bureaus to ACH/Vendor Express and providing electronic travel advances/travel reimbursements with the implementation of CAMS and any other new and/or updated financial systems	FY 1999

charge cards services for fleet, travel and purchase card payment programs were awarded. The existing contracts for card services expired November 29, 1998, and the new contracts took effect on November 30, 1998. To acquire services under these new contracts, agencies place task orders with one or more of the GSA SmartPay contractors. A Commerce SmartPay Team was established with representatives from Bureaus and Office of the Secretary to identify the Department's requirements and select a contract that best meets our needs. In addition to evaluating and selecting, the Commerce SmartPay Team will transition the Department from the current service providers to the new. On August 3, 1998, a task order was issued to Citibank. The task order was placed for a base period of five years with five one-year options pending the contractor's performance.

The Commerce SmartPay Task Order will provide the Department with a mechanism through which integrated policy, risk management, and reporting can be achieved in the areas of travel, fleet and purchase card services. This task order will provide Commerce with a platform for complying with the Debt Collection Improvement Act of 1996 and the 1999 EFT mandate.

c. Prompt Pay

In FY 1998, approximately 94 percent of Commerce's payments were made on time. Over 93 percent were made on time in FY 1997. DOC will continue to monitor its seven finance offices' payment performance. Each office has a 95 percent goal for timely payment of invoices.

Modernize Payments Accomplishments

To support modernized payments and business practices, DOC has:

- Increased the use of bankcards
- Formed SmartPay selection teams from finance, procurement, travel, and fleet management
- Performed extensive study and evaluation of candidate SmartPay banks
- Selected Citibank to provide SmartPay services
- Implemented extensive EFT training and enrollment of vendors
- Piloted the use of debit cards and courtesy checks
- Intensified efforts to upgrade automated systems for EFT (CAMS)

2. Modernize Business Methods

Status

The Government Management Reform Act of 1994 authorized the establishment of pilot Franchise Funds. The purpose of each Franchise Fund is to support Federal agencies that offer common administrative services to others on a competitive basis. The Department of Commerce was one of six agencies approved for the pilot Franchise Fund program. The pilot program is scheduled to expire on October 1, 2001.

Established on October 1, 1996, the Commerce Franchise Fund (FUND) is completing its second year of operation. The original two franchise activities were the Office of the Secretary's (OS) Office of Computer Services (OCS) and NOAA's Administrative Support Centers (ASCs). OS and NOAA continue to operate and manage OCS and the ASCs, respectively. The FUND accounting structure allows each franchise activity to continue with its current accounting service provider. NIST handles all accounting transactions at the FUND level by consolidating financial data received from the individual franchise activities. A Board of Directors was established with a formal charter for the Franchise Fund. This Board consists of the Fund Manager, NOAA's Chief Financial Officer, and senior managers from each of the franchise activities. During FY 1998, NOAA determined that it would discontinue Franchise Fund activities.

The FUND operates according to FASAB, OMB, JFMIP, and Treasury financial management standards. The FUND accounting system must comply with Federal financial management standards, which include the U.S. Treasury Standard General Ledger; and OMB Circulars A-11, A-34, A-123, A-127, and A-130. The FUND also follows the same reporting requirements as any other appropriated fund. Efforts to implement the new accounting standards for audited financial statements (OMB Bulletin 97-01) are ongoing. The OCS franchise activity is implementing a cost recovery billing system designed around industry's best practices using activity-based costing.

To date, the Department continues to operate the franchise activities without any legislative language approved by Congress that would permit the retention of part of the earnings. The legislative language submitted to the Congress conformed to the language submitted by the other franchise pilot

agencies. Commerce again submitted language requesting that an amount not to exceed 4 percent of the total annual income be retained in the FUND and remain available until expended. The retained earnings provision is intended to provide the franchise activities with moneys for the acquisition of capital equipment and ADP and other support systems. Other pilots have been granted the authority to retain a portion of their earnings for these purposes. The Commerce Franchise Fund will probably gain Congressional approval for the coming fiscal year. This approval is essential to ensure a level playing field and to ensure the pilot program's competitiveness.

Modernize Business Methods Accomplishments

- Franchise Fund Board of Directors has been established and meets on a regular basis.
- The Franchises sales and marketing efforts have resulted in new business and customers.
- Performance measures have been implemented.
- New accounting standards, including industry best practices in the use of Activity-Based Costing, have been implemented.
- Unit costs have been flattened through economies of scale.
- The Office of Management and Budget prepared an interim progress report on the first year of operations of the six Franchise Fund pilots. The report provides information on the six Franchise Funds, including Commerce, and presents recommendations for improved Franchise Fund activities in coming years.
- In FY 1998, Franchise Fund's projected business volume was \$ 12.5 million, and it had two new customers.

Modernize Business Methods Planning Milestones

Work with CFO Council to evaluate the success of Franchise Fund Pilot	FY 1998 to 1999
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G. Improve Receivables Management

Receivables Status

The Debt Collection Improvement Act of 1996 (DCIA) named Treasury as the agency to receive delinquent debt more than 180 days old from the other Federal agencies. It also established Treasury's Financial Management Service (FMS) as the Federal Government's debt collection center. Treasury has chosen to implement the DCIA through an expanded cross-servicing technique and through the Treasury Offset Program (TOP). The Department has signed a cross-servicing and TOP agreement with Treasury and currently is transferring debt under this program.

The total DOC accounts receivable balance at the close of FY 1997 was \$282 million. As of September 30, 1997, DOC's delinquent debts totaled \$96.2 million, \$91.9 million of which is more than 180 days old.

A centralized debt collection program, TOP was developed by FMS and is operated through its Regional Financial Centers. It includes a delinquent debtor database whereby payments made by Treasury on behalf of agencies are matched against the database. If a match occurs, the payment is diverted to pay the delinquent debt, to the extent legally allowed. Uncollectable debts are written off and may be reported to the IRS as income to the debtor.

Receivables Accomplishments

- Total receivables reduced from \$614 million as of the close of FY 1989, to the FY 1997 amount of \$282 million. This amounts to a 54 percent reduction in outstanding receivables for the eight-year period.
- Total delinquencies decreased from \$281 million in FY 1989, to the present year level of \$96 million. This represents more than a 66 percent reduction in delinquencies owed to DOC.
- Collections as a percentage of current receivables increased from 36 percent in FY 1989, to 81 percent in FY 1997.
- The Department continues to evaluate the soundness of its credit management and debt collection practices in order to ensure the collectibility of its portfolio of accounts and loans receivables.

- The Department has worked closely with FMS to implement the DCIA: a letter of agreement was signed with Treasury for cross-servicing of debt more than 180 days old; Agency Profiles Forms have been completed and forwarded to Treasury to initiate cross-servicing; and debts have been transferred to Treasury's Offset Program.

Receivables Status

Status Receivables Department-wide	FY 1997 Dollars in Millions	FY 1996 Dollars in Millions	Annual Percent Change
Receivables	282	291	-3.1
Currently Due Receivables	114	125	-8.8
Delinquencies	96	97	-1
Delinquencies Over 180 Days	92	86	7

Receivables Plan

Receivables Planning Milestones	
The CFO will continue to provide assistance to program and finance offices in evaluating the status of their portfolios of account and loan receivables.	Ongoing
The Department will continue to transfer debtor information that is more than 180 days delinquent to Treasury for cross-servicing and possible administrative offset.	Ongoing
The Department will issue policy covering implementation of the DCIA in its Credit and Debt Handbook.	FY 1999

H. Administer Federal Assistance Programs

Status

Commerce currently administers more than 60 grant and cooperative agreement programs and one loan program. In FY 1997, the most recent year for which complete data is available, the Department issued 2,784 financial assistance actions totaling more than \$1.1 billion.

Communications with state and local governments and other grantees are primarily carried out at the bureau level, as part of their ongoing program of operation and administration. OEBAM issues guidance on relevant legislation, regulations, OMB circulars, and other guidelines for use by the bureaus.

On June 16, 1998, the CFO Council (CFOC) unanimously decided to adopt a major new financial management improvement initiative designed to reduce the number of grant payment systems currently utilized throughout the Federal Government. It was agreed that starting immediately, all Federal civilian departments and agencies would move toward usage of two standard grant payment systems to transfer funds to federal grantees and that total system implementation would be completed by October 1, 2002.

Plan

Planning Milestones	
Evaluation of the two grant payment systems: ASAP (Automated Standard Application for Payments) and PMS (Payment Management System)	FY 1999
Selection of grant payment system	FY 1999
Implementation of new grant payment systems	FY 2000
Discontinuation of all other proprietary grant payment systems	FY 2002

I. Assess User Charges at the Department of Commerce

Status

In FY 1997, the Department had sales of goods and services to the public of more than \$860 million. The Department's bureaus and agencies provide goods and services to the public under a variety of statutes and regulations. The bureaus that do business with the public have established, under Departmental policy and according to OMB Circular A-25, Circular A-130, and the CFO Act, a system for reviewing and adjusting the user charges collected from these sales. Unless statutory prohibitions or limitations exist, a user charge is assessed for benefits derived from Commerce activities beyond those received by the general public. Commerce user charges are consistent with program and legislative requirements and established to recover the full cost of the goods or services.

In FY 1997, the General Accounting Office reviewed Federal agencies' adherence to the user fee review and reporting requirements in the CFO Act of 1990 and OMB Circular A-25, and the final was issued in FY 1998.

Plan

The Department will work to implement all GAO recommendations regarding user charges.

Planning Milestones	
Review GAO Report	FY 1999
Implement GAO Recommendations	FY 2000

APPENDIX I: COMMERCE BUREAUS IN BRIEF

The Department of Commerce serves the United States and the world with staff in more than 700 locations. Organizational units, called “bureaus,” carry out the Commerce mission. Below is a brief overview of the bureaus’ programs and activities:

General Administration (GA)

GA provides departmental policies and planning and administrative guidance to ensure implementation of the Department’s mission. GA encompasses the responsibilities of the Secretary, Deputy Secretary and the supporting activities of the Office of the Secretary for the policy development and direction. By developing policies and procedures for oversight, coordination, direction and guidance, implementation of Secretarial priorities are consistent with bureau operations. GA serves as the primary liaison with the Executive Branch and with Congressional and private-sector groups and acts as the Department’s management and administrative control point.

GA encompasses the responsibilities of the Secretary, Deputy Secretary, and the supporting activities of the Office of the Secretary for policy development and direction. GA includes the activities of the Chief Financial Officer and Assistant Secretary for Administration, the Working Capital Fund, the Office of the Inspector General, and the Franchise Fund.

International Trade Administration (ITA)

ITA promotes the expansion of U.S. exports, works to eliminate unfair trade barriers, and negotiates and implements bilateral and multilateral trade agreements. ITA helps coordinate foreign trade promotion activities and develop a Government-wide strategic plan for export promotion and finance. ITA is prepared to deal with the changes in worldwide economic activity, viewing the challenges as opportunities for superior customer service.

ITA has developed a series of performance measures to assess the impact of its program activities.

The activities focus on priority programs and can be expected to evolve over time. In broad terms, the performance measures cover **1)** negotiating open markets, **2)** information counseling and export assistance services, **3)** advocacy, **4)** development of foreign markets for U.S. goods and services, and **5)** trade law enforcement.

Bureau of Export Administration (BXA)

BXA’s responsibilities involve national security and nuclear nonproliferation, export growth, and high technology. BXA manages the security risks associated with export trade by regulating transfers of sensitive items to those abroad who might use them for purposes contrary to U.S. national security, foreign policy or nonproliferation interest. BXA protects national security and public safety through law enforcement programs focused on prevention, detection, investigations and sanctions, in cooperation with domestic and international regulatory and law enforcement partners. BXA ensures that national security and economic policies are consistent with a strong, competitive industrial base.

Since the break up of the Soviet Union, threats to national and global security are increasingly



[BXA conference on Armenia and Republic of Georgia export controls.](#)

defined in terms of the threat posed by terrorists groups and rogue states developing weapons of mass destruction. BXA's continuing major challenge is combating the proliferation of weapons of mass destruction while furthering the growth of U.S. exports, which are critical to maintaining our leadership role in an increasingly competitive global economy.

Due to the end of the Cold War, BXA has undergone recent changes in export licensing deregulation and the transfer of several categories of items, including encryption licensing from the Department of State to Commerce.

BXA's principle activities include **1)** implementing the Export Administration Act (EAA), **2)** enforcing the export control and antiboycott provisions of the EAA, **3)** analyzing and protecting the defense industrial and technological base, and **4)** helping Central European countries and former members of the former Soviet Union develop effective export control systems and dismantle their defense industries.

BXA's three strategic goals support two of the three Departmental Strategic Themes, which are as follows:

- Building for the future and promoting U.S. competitiveness in the global marketplace by strengthening and safeguarding the Nation's critical economic infrastructure. BXA's three strategic goals support this theme. These goals are **1)** restructuring export controls for the 21st Century; **2)** maintaining a fully effective law enforcement program to protect U.S. foreign policy, nonproliferation and public safety interest; and **3)** facilitating transition of defense industries.
- Keeping America competitive with cutting-edge science and technology and an unrivaled information base. BXA's goal of "Restructuring Export Control for the 21st Century" supports this theme.

National Oceanic and Atmospheric Administration (NOAA)

Economic health depends on environmental safety. NOAA's mission is to "describe and predict changes in the Earth's environment and to conserve and wisely manage the Nation's coastal and marine resources to ensure sustainable economic opportunities." Monitoring conditions in the atmosphere, ocean, sun, and space environment provides NOAA the capacity to protect the envi-

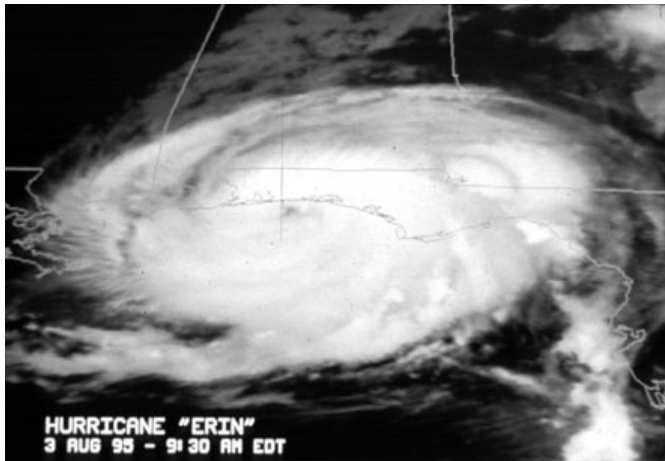


Union City, Oklahoma

ronment and predict many types of weather phenomena, including hurricanes and tornadoes. This service allows people to evacuate a community before disaster strikes. NOAA helps the American economy and gives the world the tools needed to achieve and maintain an environmentally improved Earth. NOAA's work saves the Earth's environment and marine resources, businesses, and property. Most importantly, NOAA's efforts saves human lives.

NOAA's programs are managed by the National Ocean Service; the National Marine Fisheries Service; the Office of Oceanic and Atmospheric Research; the National Weather Service; and the National Environmental Satellite, Data, and Information Service. Striving to create a Government that works better and costs less, NOAA is streamlining its workforce by coordinating with other agencies to prioritize research and development expenditures.

NOAA has developed performance measures to cover the following areas: **1)** promote advanced short-term warning and forecast services, **2)** implement season to interannual climate forecasts, **3)** predict and assess decadal to centennial change, **4)** promote safe navigation, **5)** build sustainable fisheries, **6)** recover protected species, and **7)** sustain healthy coasts.



NOAA weather forecasting and tracking saves lives.

Technology Administration (TA)

Led by the Under Secretary for Technology, the TA's central mission is to ensure that it integrates U.S. business and industry's perspective into the array of public-sector activities influencing private-sector innovation in technology. TA leads the Department's Advanced Civilian Technology Strategy, a coordinated effort to promote more effective government-industry partnerships for technology development and deployment and to enable a 21st century infrastructure.

TA emphasizes the need to commercialize research and development and promotes an international competitive U.S. manufacturing sector. TA led the development of "Commerce Acts: Advanced Civilian Technology Strategy," which describes the Department's role in, and strategy for, its partnership with U.S. industry in promoting U.S. firms internationally.

National Institute of Standards and Technology (NIST)

The NIST's primary mission is to promote U.S. economic growth by working with industry to develop and apply technology, measurements, and standards. The mission is carried out through four major programs:

- **The Advanced Technology Program.** This program provides competitive cost-shared awards to industry for development of high-risk, enabling technologies with broad economic potential.

- **Grassroots Manufacturing Extension Partnership.** This partnership features a network of local centers offering technical and business assistance to smaller manufacturers.
- **A Strong Measurements Standards Laboratory Program.** This program provides technical leadership for the Nation's measurements and standards infrastructure.
- **A Highly Visible Quality Outreach Program.** This program is associated with the Malcolm Baldrige National Quality Award.

When evaluating program performance, NIST uses peer review and economic impact studies. In addition, quantitative performance measures employed include:

- Advanced Technology Program (number of technologies under commercialization, percent of project recipients reporting acceleration of R&D cycle time or increase in longer-term and/or higher risk R&D, cumulative number of publications, patents filed, patent licenses);
- Manufacturing Extension Partnership (number of companies served and client activities completed by MEP centers, increase sales and capital investment and labor, materials, and inventory savings);
- NIST Measurement and Standards Laboratory program (Standard Reference Materials and Standard Reference databases available, calibrations and tests performed, and participation and leadership in national and international standards committees).



NIST hosts U.S.-China workshop on standards, testing, and certification.

- National Quality Program (number of business applications from small businesses, number of quality criteria and other documents distributed, number of state and local quality award programs supported).

National Technical Information Service (NTIS)

Manufacturing industries, technology-based industries, commerce, and trade depend on information provided by NTIS. NTIS is the Federal agency charged with distributing technical information useful to American business and industry, other Federal agencies, state and local governments, universities, and the public. NTIS created FEDWORLD, an Internet-accessible clearinghouse for technical information. NTIS supports itself financially by selling information, products, and services.

NTIS has established performance measures for **1)** times FedWorld is accessed, **2)** FedWorld files downloaded, **3)** information products catalogued and indexed, **4)** number of customer complaints, and **5)** items in archives.

National Telecommunications and Information Administration (NTIA)

NTIA serves as the President's principal advisor on domestic and international telecommunications and information issues, manages the Federal use of the spectrum, performs cutting-edge telecommunications research and engineering, and administers the Federal grants programs that support the development of a national information infrastructure that is accessible to all Americans and that maintain and extend the public broadcasting infrastructure.

NTIA has established performance measures in the following areas: **1)** Information Infrastructure Grants, **2)** Domestic and International Policies, **3)** Spectrum Management, **4)** Telecommunications Research, and **5)** Public Broadcasting Grants.

Economic Development Administration (EDA)

EDA provides a broad range of economic development funding and assistance to stimulate employment and increase income in distressed communities, promoting greater national productivity and balanced economic growth. EDA responds

to community needs and priorities that create private-sector jobs and leverage private capital. EDA carries out its economic development assistance program through a network of headquarters and regional personnel, working with local leaders to identify and fund high-priority projects in the neediest communities.

EDA establishes performance measures for **1)** the number of jobs created in distressed areas and **2)** the amount of private-sector investment leveraged. EDA has developed performance measures for most of its programs and is finalizing measures for the rest.

Patent and Trademark Office (PTO)

PTO promotes industrial and technological progress in the United States and strengthens the national economy by administering the laws relating to patent and trademarks and advising the Secretary of Commerce, the President of the United States, and the Administration on patent, trademark and copyright protection and the trade-related aspects of intellectual property. Specifically, PTO has three business areas that support the Office's mission by issuing patents, registering trademarks, and disseminating patent and trademark information worldwide.

In compliance with the Government Performance and Results Act of 1993, the PTO's fiscal year 1999 Corporate Plan included annual performance goals and targets that align with the strategic themes, goals, and objectives of the Department of Commerce. The Corporate Plan also included performance targets that support PTO's Year 2000 Commitments, which were made as one of Vice President Gore's High Impact Agencies.

PTO's fiscal Year 2000 Corporate Plan is the first submission that incorporates cost accounting data into its annual budget estimates. The cost accounting effort is generating unit cost models for products and services in each of the PTO's three business areas. The PTO also generates a separate cost for services provided by the policy function in support of the PTO's budget activities. These models enable PTO to portray the overall costs of doing business by major business line: Patents, Trademarks, Information Dissemination, and Policy.

The cost accounting, along with the performance-based resource allocation effort, has enabled PTO to present a budget structure that is consistent with its corporate planning process. In particular, the

budget structure for FY 2000 enables PTO to identify performance goals and measures for each of its major business lines and policy program activities.

PTO's Corporate Plan for FY 2000 also includes financial tables developed in the spirit of OMB Bulletin 97-01. Along with the budgetary information inherent to the Federal Budget Process, the financial tables provide information on PTO's projected revenues, costs, and changes in financial position.

Economics and Statistics Administration (ESA)

Political and business decisions hinge on economic and demographic information from the ESA. Headed by the Under Secretary of Economic Affairs, ESA manages the collection, tabulation, and publication of economic, demographic, and social statistics. It helps government officials interpret the state of the U.S. economy and develop economic policy. ESA oversees two major Commerce organizations: the Bureau of Economic Analysis (BEA) and the Bureau of the Census.

ESA also includes STAT-USA, which disseminates business, economic and trade information from Commerce and other agency sources in easy-to-use, one-stop electronic and other formats. STAT-USA has successfully applied advanced information technologies to meet private-sector demands from information products, including the popular STAT-USA/Internet.

Bureau of the Census (Census)

An agency of the ESA, Census collects, compiles, and publishes a broad range of current and periodic statistics. These statistics include economic, social, and demographic data on population, housing, agriculture, governments, foreign trade, manufacturing, construction, mineral industries, and retail, wholesale, and service trades. Census provides a decennial enumeration of population that is used to apportion Congressional representation and certain forms of Federal assistance among the states.

The implementation of the 2000 Decennial Census will be the most visible and significant challenge through FY 2000. The Bureau began the first major test of census procedures in 1995 and is conducting full-scale dress rehearsals in three selected areas across the country. The Bureau also

met with localities across the Nation about updating address lists and awarded major data processing contracts to private-sector firms.

Census has identified program goals and objectives in support of the ESA strategic plan, including improving census and survey data and increasing the value to customers of Bureau products and services. Performance measures for major program areas have been developed in support of these goals. The 2000 Decennial measures relate to such areas as the address listing preparation, opening Census offices mailing out forms, and recruiting the temporary field staff. Other measures include increasing survey response rates, reducing reporting burdens, and updating industry classification codes.

Bureau of Economic Analysis (BEA)

BEA is the agency within ESA that pulls together the diverse stream of economic data that comes from government and private sources and transforms the data into a consistent, comprehensive picture of the economy. This picture is revealed through BEA's national, regional and international economic accounts, which are widely recognized as the premier tools for macroeconomic analysis and decision making. BEA's flagship product, gross domestic product, has been described as the most important measure in economics.

BEA's strategic and operating plans provide a series of milestones and performance indicators that provide a mechanism to assess their accomplishments.

Minority Business Development Agency (MBDA)

MBDA provides leadership in fostering the growth and sustainable development of minority-owned businesses. By promoting enhanced access to the marketplace and to capital, MBDA assistance empowers minority-owned businesses to become full, competitive participants in American commerce. MBDA makes new choices available to consumers seeking to purchase quality goods and services that fit their needs and wants and helps to improve the internal and global competitiveness of the U.S. economy.

APPENDIX II: FINANCIAL MANAGEMENT SYSTEMS ENVIRONMENT

The Department currently uses eight primary financial systems. Most of these evolved from accounting systems developed in the 1960s and 1970 and are based on outdated technology. The systems rely primarily on batch processing and have little or no direct interactive capabilities for transaction processing, budget monitoring or reporting. Most of the systems are poorly documented and extremely difficult and costly to maintain. The systems are labor intensive, fragmented, inflexible, and have not kept pace with changing technology and financial information requirements. The table at the end of this appendix identifies the current systems and the new systems under development.

Most of Commerce's present systems do not fully comply with the Government-wide financial CFS requirements promulgated by the JFMIP. Audit surveys conducted by the Department's OIG and vulnerability assessments conducted by the bureaus confirmed that serious problems exist with the reliability, efficiency and internal controls of our present financial systems. As a result, our overall financial system has been placed on OMB's Government-wide list of "high-risk" areas.

The deficiencies in the financial management systems have led to the development of many manual and automated stand-alone "cuff-record" systems, as managers have acted to obtain the financial and administrative data they need to manage their programs. As a result, redundant systems contain duplicate and often inconsistent financial data.

An overview of the Department's systems environment follows:

- Seven bureaus operate and maintain eight bureau-specific accounting systems (NIST operates the NIST and OS accounting systems).
- EDA processes its own financial assistance awards and handles the related payments and accounting. EDA is responsible for financial assistance payments and related accounting for NTIA, MBDA, and ITA.
- NIST provides accounting services to TA, NTIA, BEA, ESA, MBDA, OS, and EDA.
- PTO uses a financial system under a cross-servicing arrangement with the Department of the Interior.
- ITA uses an accounting system originally developed by the National Transportation Safety Board.
- NOAA provides accounting services to BXA.
- Commerce bureaus with staff overseas use accounting services provided by the Department of State.
- As an agent for the Department, NOAA operates and maintains several fragmented, outdated Department-wide systems to process travel/transportation and other administrative payments for all bureaus except PTO, NIST, and Census.
- Most bureaus use a Department-wide small purchase system to generate small purchase order documents (\$25,000 or less) that is interfaced with the Department's Administrative Payment Systems operated by NOAA. During 1998, Census implemented the CAMS Commerce Small Purchases system. The Departmental Payment System was discontinued in FY 1998 because of the EFT requirements.
- All bureaus provide data to the Commerce Procurement Data System, which captures management information on large procurements and satisfies the reporting requirements of the Government-wide Federal Procurement Data System (FPDS). Treasury and GSA use FPDS data to compile Government-wide statistics.
- Several bureaus process certain administrative payments (e.g., telephone bills, utility bills, training, contracts, interagency agreements) using bureau-specific systems.
- NOAA operates its own financial assistance administration office and handles its own payments and accounting. It has developed and implemented the NOAA Grants System, an automated financial assistance award processing system. NOAA has also developed and implemented the Financial Assistance Disbursement System (FADS). FADS electronically disburses (through

Vendor Express) payments to recipients' banks. FADS uses relational database management technology to accomplish electronic payment certification. Requested disbursements are held for 24 hours for certification and then made electronically. This system also incorporates "voice synthesis" to enable any grantee to use a conventional phone to access the database and make inquiries concerning the status of accounts.

- During 1998, Census implemented the CAMS Accounts Payable module and NOAA continued deployment of the CAMS Accounts Payable module for selected document types.
- NIST processes its own financial assistance awards and handles the related accounting. The NIST financial assistance management system is primarily a manual processing system.
- All bureaus use the Department of Agriculture's NFC Payroll/Personnel System for civilian payroll.
- NOAA's Commissioned Officer Corps obtains payroll and retirement annuity services under a cross-servicing arrangement with the U.S. Coast Guard.
- Census operates and maintains a separate payroll system for its decennial census enumerators.
- All bureaus have access to a personal property system under a cross-servicing arrangement with the NFC that provides property identification and asset management data. All bureaus use this system except for NIST, which currently operates Oracle Assets for its personal property system, and Census, which operates a parallel personal property system.
- A Department-wide real property system provides most bureaus with location and owned/leased property data.

Financial Management Systems Inventory

BUREAU	SYSTEM NAME	YEAR 2000 STATUS	APPLICATION NAME	STATUS
Census	Financial Management System	Compliant	Automated Decennial Admin. Mgmt. Sys.	OPERATIONAL
	Financial Management System	Compliant	CD-ROM Inventory	OPERATIONAL
	Financial Management System	Compliant	Core Financial System	OPERATIONAL
	Financial Management System	To Be Retired	Property Management	OPERATIONAL
EDA	Financial Management System	9/99	Accounting System	OPERATIONAL
	Financial Management System	Compliant	Credit Reporting	OPERATIONAL
ITA	Accounting System	Compliant	Accounting & Financial Reporting	OPERATIONAL
NIST	Financial Management System	Compliant	Accounting System	OPERATIONAL
	Financial Accounting and Reporting System	2/99	Accounting System	OPERATIONAL
NOAA	Department Payment System	To Be Retired	Departmental Fedstrip/OPAC System	OPERATIONAL
	Department Payment System	To Be Retired	Departmental Imprest Fund System	OPERATIONAL
	Department Payment System	To Be Retired	Departmental Purchase Order System	OPERATIONAL
	Department Payment System	To Be Retired	Departmental Transportation System	OPERATIONAL
	Department Payment System	To Be Retired	Departmental Travel System	OPERATIONAL
	Department Payment System	To Be Retired	Departmental Collection System	OPERATIONAL
	Financial Management System	Compliant	Oblig.,A/P, A/R, Cost Alloc., GL, Rptg.	OPERATIONAL
	Financial Management System	Compliant	NOS Cartography Issues Adjustment System	OPERATIONAL
	Financial Management System	Compliant	Loan Management	OPERATIONAL
	Financial Management System	Compliant	Database, Reporting	OPERATIONAL
	Financial Management System	Compliant	Inventory Issues	OPERATIONAL
	Financial Management System	Compliant	Loan Management	OPERATIONAL
	Financial Management System	Compliant	Enforcement Management Info. System	OPERATIONAL
	Financial Management System	Compliant	Grant Advance	OPERATIONAL
	Financial Management System	Compliant	Customer Billing	OPERATIONAL
	Financial Management System	1/99	NOAA Payment System	OPERATIONAL
	Financial Management System	To Be Retired	Chart Billing, Collection & Inventory	OPERATIONAL
	Financial Management System	Compliant	Obligation Guarantee Fee Billing System	OPERATIONAL
	Financial Management System	Compliant	Financial Analysis & Commitment tracking	OPERATIONAL
	Financial Management System	Compliant	NCDC Management & FIMA Input	OPERATIONAL
	Financial Management System	Compliant	U.S. Coast Guard Payroll/Personnel	OPERATIONAL
NTIS	Financial Management System (NTIS)	Compliant	Financial Management System	OPERATIONAL
OS	Commerce Admin. Management System (DOC)	Compliant	Commerce Admin. Management System	PHASED
	Financial Executive Information System (DOC)	Compliant	Financial Executive Information System	DEVELOPMENT
	USDA Payroll/Personnel (DOC)	1/99	Payroll/Personnel	OPERATIONAL
	Procurement (DOC)	3/99	Small Purchase System	OPERATIONAL
	USDA Personal Property (DOC)	Compliant	Personal Property System	OPERATIONAL
	Real Estate & Space Mgmt. Info System (DOC)	Compliant	Real Property Information System	OPERATIONAL
PTO	Financial Management System (PTO)	Compliant	Federal Financial System	OPERATIONAL
	Financial Management System (PTO)	Compliant	Program Office Desktop	PHASED
	Financial Management System (PTO)	Compliant	Revenue Accounting Management System	OPERATIONAL
	Financial Management System (PTO)	1/99	Procurement Desktop	OPERATIONAL

APPENDIX III: ELECTRONIC CONNECTIVITY AND TELECOMMUNICATIONS

The U.S. Department of Commerce is a diversified Federal Government agency that provides a broad array of information and services to the information industry, to other components of the Government, and to the national interest for economic development and expansion. While keeping pace with demands for more information, Commerce also leads the way toward innovative methods of establishing positive growth domestically and throughout the world as the new international horizons expand our economy with trade opportunities. These new growth opportunities demand world-class technology for information processing and communications. We attribute Commerce's successes to the elaborate and extensive expansion of our networks and information connectivity achieved with the more than 9,000 domestic and 30,000 global miles of communication services.

The many operating units within Commerce play a major part in producing thousands of new information products that they shared within the Government and the information industry. They integrate the administrative functions into a common base of services sharing standard electronic commerce products and services at all operating levels to support: (1) personnel accounting functions, such as time and attendance, personnel records, payroll, and staffing; (2) procurement functions, such as purchasing, acquisition, requisitions, receiving, and payments; (3) budget and finance functions, such as cost accounting, annual budgeting, funding allocations, billing and collections; (4) organization and property management, such as oversight and allocation of resources.

The Department-wide telecommunications infrastructure of the communications systems and services has evolved from a three-tiered to a four-tiered networking environment consisting of local-area networks (LANs), metropolitan-area networks (MANs), wide-area networks (WANs) and the Internet service providers/gateways (ISP/Gs). With the ISPs, Commerce can provide information products and link to the information industry at large.

The remainder of this section includes the current status of, and future plans for, the Commerce networks and CAMS program.

Status

Commerce networks have successfully migrated to higher speed systems and services with more bandwidth capacity in the 10 Mbps (megabits per second) range using fiber networking services and enhanced packet switching services over frame relay connections, and asynchronous transport mechanism (cell-based information transport) operating up to 100 Mbps. These services are available to the operating units for support of their mission programs and administrative operating activities. As the new information systems supporting these programs come online, the modern networking services will be ready to provide needed communications support.

The Department's CAMS program supporting an automated financial management application demands the full capability of a high capacity/bandwidth network that reaches all the operating units within the Departmental infrastructure. These services are now supported with the new networking technology in place at Commerce, fully capable of linking user desktops, host computers and remote locations accessible via the Internet.

Plans

The DOC plans for domestic support of CAMS requirements are important to the program's success. CAMS must be able to process information in a timely manner. This means that the communications infrastructure must be able to connect users' desktops to local and remote host computers over the Commerce LANs and WANs, plus support local applications at the operating unit levels. The networking infrastructure modernization project at

the Commerce HCHB headquarters will provide needed improvements to the facility and replace an outdated and patched up architecture incapable of evolving further to support CAMS user communication needs.

Plans are under way to support the continued Commerce evolution of a fully integrated telecommunications infrastructure at the operating unit levels both supporting field and headquarters operations and also mission and administrative operational activities into the 21st Century. The idea of a fully integrated information infrastructure providing electronic commerce distribution and collection of information requires a rapid movement of data and timely method of processing and reporting results all done in a paperless environment and with a high degree of accuracy. These information products include massive amounts of data including environmental/climatic data, census data, patent and copyright data, trade data, economic forecast data, manufacturing data, gross/domestic product data, production data, research data, import/export data, grants opportunity data, educational and demographic data, to mention a few. A forward-looking plan is being prepared to support these requirements, with the recommendations to be implemented in the near and long terms.

Toward this end, Commerce conducted an intensive Department-wide telecommunications inventory and assessment in early 1998. This activity laid a solid foundation for an initiative that began in August 1998: developing an enterprisewide telecommunications architecture, strategic plan, and transition plan. This initiative will allow the Department to conduct business and perform its mission optimally in the 21st century.

Planning Milestones	
Upgrade Networking Technology	Ongoing
Integrate Services Networking	Ongoing
Install User Access for CAMS	Ongoing
Year 2000 Upgrades	FY 1998/1999

APPENDIX IV: FEDERAL FINANCIAL MANAGEMENT INFORMATION ACT REMEDIATION PLAN

U.S. Department of Commerce FFMIA Remediation Plan

As part of its effort to address accounting system noncompliance under FFMIA, Commerce is adjusting its accounting system by implementing CAMS and is also addressing other noncompliance issues.

Accounting Systems

In addition to the Department's accounting systems' noncompliance under FFMIA, three bureaus, BXA, ITA, and NOAA, were cited for not recording transactions at the SGL level. Both of these noncompliance issues will be corrected with the implementation of the Core Financial System (CFS) and cross-servicing initiatives where practical. The CFS implementation is intended to assist Commerce in reaching its goal of a single, integrated financial system and will help resolve the related material weakness under the Federal Managers' Financial Integrity Act. The Department's CFS has been designed to meet the cost accounting system criteria of SFFAS No. 4. The Commerce Administrative Management System (CAMS) is the Department's single integrated financial management system initiative. This system will help resolve the deficiencies of legacy financial systems. The CFS component of CAMS complies with the financial system requirements of the Joint Financial Improvement Program (JFMIP); it is also SGL compliant, and it meets the requirements of Office of Management and Budget Circular A-127.

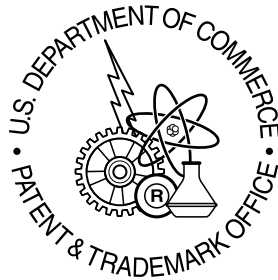
During FY 1998, Commerce completed an intensive review of the CAMS project. This review included an updated business case for CAMS, closely examining its major cost components and the expected benefits of implementation. As a result, the CAMS project was redirected to concentrate first on piloting the CFS plus its bankcard, small purchases, and time reporting and labor cost distribution subsidiary administrative systems at the Bureau of the Census by the summer of FY 1998. Meanwhile, during the pilot, CAMS implementation efforts at the other bureaus were stopped or reduced. Staff from other Commerce bureaus are participating in the pilot and will gain a thorough understanding of the system, enabling them to play leading roles in implementing the system in their own bureaus. An independent evaluation of the pilot has been performed. The result of this evaluation and the plans for future financial systems development were described in Section A – Financial Management Status and Plans.

Other Noncompliance Issues

The Department's consolidated audit report also cited seven material weaknesses in Commerce, indicating violations of Federal Accounting Standards Advisory Board guidance. The Department and its bureaus have developed corrective action plans for each of these material weaknesses. The plans will be monitored on a quarterly basis as part of our reporting to OMB on further improving financial management.

APPENDIX V: GENERAL ABBREVIATIONS

ACH	Automated Clearing House	HR	Human Resources
BEA	Bureau of Economic Analysis	IDP	Individual Development Plan
BPR	Business Process Reengineering	ITA	International Trade Administration
BXA	Bureau of Export Administration	JFMIP	Joint Financial Management Improvement Program
CENSUS	Bureau of the Census	MBDA	Minority Business Development Agency
CFO	Chief Financial Officer	NFC	National Finance Center
CAMS	Commerce Administrative Management System	NIST	National Institute of Standards and Technology
CASC	Central Administrative Support Center	NOAA	National Oceanic and Atmospheric Administration
CFOC	Chief Financial Officers' Council	NPR	National Performance Review
CFS	Core Financial System	NTIS	National Technical Information Service
CONOPS	Concept of Operations	NTIA	National Telecommunications and Information Administration
COTS	Commercial Off-The-Shelf Software	OAM	Office of Acquisition Management
CPE	Continuing Professional Education	OBMI	Office of Budget, Management & Information
CR	Office of Civil Rights	OCS	Office of Computer Services
DOC	Department of Commerce	OEBAM	Office of Executive Budgeting & Assistance Management
EASC	Eastern Administrative Support Center	OFM	Office of Financial Management
EC	Electronic Commerce	OHRM	Office of Human Resources Management
ECIF	Electronic Commerce Integration Facility	OIG	Office of the Inspector General
EDA	Economic Development Administration	OIPT	Office of Information Policy and Technology
EDI	Electronic Data Interchange	OMB	Office of Management and Budget
ESA	Economics and Statistics Administration	OS	Office of the Secretary
FACTS	Federal Agencies Centralized Trial-Balance System	OSAS	Office of Security & Administrative Services
FARS	Financial Accounting and Reporting System	OST	Office of Systems & Telecommunications
FADS	Financial Assistance Disbursement System	OTP	Office of Technology Policy
FASAB	Federal Accounting Standards Advisory Board	PTO	Patent and Trademark Office
FEDSS	Financial Executive Decision Support System	RFQ	Request for Quotations
FFMIA	Federal Financial Management Improvement Act	SFFAC	Statement of Federal Financial Accounting Concepts
FIMA	Financial Information Management Accounting System	SFFAS	Statement of Federal Financial Accounting Standards
FMFIA	Federal Managers' Financial Integrity Act	TA	Technology Administration
FY	Fiscal Year	WASC	Western Administrative Support Center
GAO	General Accounting Office		
GMRA	Government Management Reform Act		
GPRA	Government Performance and Results Act		



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